

# NATION'S BUSINESS

May



1925

## Our Threatened Federal Reserve

By ANDREW W. MELLON, *Secretary of the Treasury*

## We Have Faith in Aircraft

By EDSSEL B. FORD

## The Failure of the Federal Trade Commission

By WILLIAM C. REDFIELD, *ex-Secretary of Commerce*

## "Don't Shoot—We're Coming Down"

JACK UNDERWOOD interviews W. E. HUMPHREY, *Federal Trade Commissioner*

## The Story of a Pair of Shoes

By F. S. TISDALE

*Researching the Researcher*, by Harry R. Wellman

*Money Grubbing—for Culture*, by A. D. Welton

*What Happened to Wheat*, by James E. Boyle

*"Staggering!" Says Florida*, by Willis B. Powell

*"Ding," Who Puts Smiles in Economics*, by Henry Schott

*Industry Gets the Wanderlust*, by Alfred P. Dennis

*Spending \$1.75 to Take in \$1*, by Robert S. Henry

*Giving Away \$70,000,000*, by Frederick Beckmann

*Assets or Ashes?* by Raymond C. Willoughby

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Published at Washington by the Chamber of Commerce of the United States

MORE THAN 182,000 CIRCULATION



**UNIT**  
*Responsibility*  
**in**  
**Building**

## Acres of Floor Space!

**ARE YOU** the Executive responsible for building a plant like this for your Institution?

Then these advantages are yours, when Austin builds for you:

*First-class design and construction, with quality of materials and workmanship guaranteed;*

*Fast time, with delivery date guaranteed, under bonus and penalty clause, if preferred;*

*Right price for the project complete—a guaranteed lump-sum figure;*

*Your big, new program of plant expansion may be just now taking form. Austin will gladly help you get it organized soundly. You may have much to gain by careful analysis, while the project is still in the embryo stage. Call Austin—no obligation of course.*

*Thorough satisfaction; buildings will be a permanent asset to your Company.*

Under the Austin Method of Unit Responsibility, Austin will build your whole project, covering acres of floor space; or will construct a single building.

Unit Responsibility means that Austin shoulders the whole load—Design, Construction, and Equipment—even assisting you in Financing, if desired.

Austin has built successfully for Industry for over Fifty Years. Austin stands today pre-eminent in Experience, in Performance, in Organization, and in Financial Stability.

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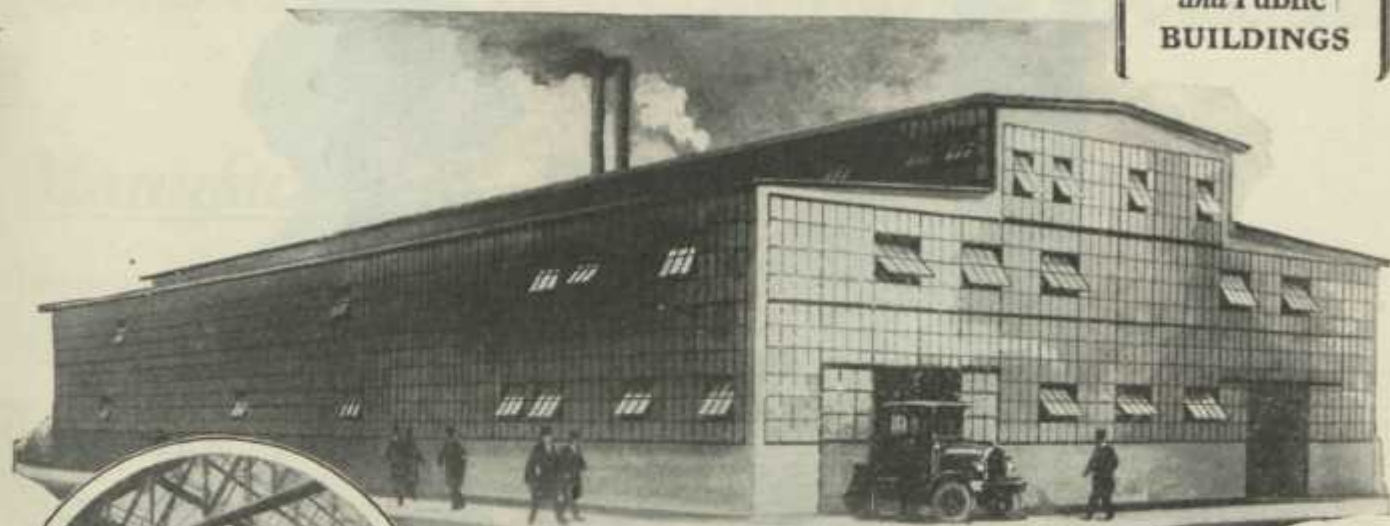
*When writing to THE AUSTIN COMPANY please mention Nation's Business*

# TRUSCON WILL SHOW YOU

*How to Build Durably and Economically*

**EVERY STEEL  
PRODUCT FOR**

**Industrial  
Commercial  
Residential  
and Public  
BUILDINGS**



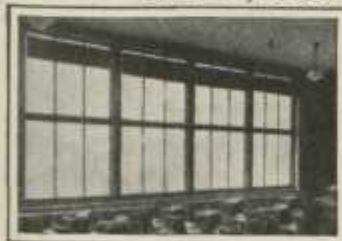
**Complete Standard Buildings  
of One and Two Stories**

**I**N the past two decades Truscon has shown thousands of builders the way to economy and permanence in the construction of every kind of building. What Truscon has done for countless others it is ready to do for you today. Its great organization of skilled engineers, its tremendous manufacturing facilities and its extensive building experience, give positive advantages in understanding and solving your problems. The Truscon aim has always been to meet the individual needs of the builder—not to dictate, but to suggest and cooperate.

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- ☐ Steel Deck Roofs
- ☐ Steel Columns, etc.
- ☐ Steel Windows
- ☐ Steel Doors
- ☐ Steel Lintels
- ☐ Metal Lath
- ☐ Steel Joists
- ☐ Reinforcing Steel
- ☐ Steel Inserts
- ☐ Highway Products
- ☐ Foundry Flasks
- ☐ Steel Platforms
- ☐ Steel Boxes
- ☐ Pressed Steel Parts
- ☐ Steel Poles
- ☐ Waterproofing
- ☐ Floor Hardeners
- ☐ Technical Paints
- ☐ Cement Tile

**Standard Pivoted, Continuous  
and Projected Steel Windows**



**Sliding Windows and Steel Doors**



**Metal Lath for Ceilings and Partitions  
Steel Joists for Fireproof Floors**

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*Warehouses and Sales Offices in Principal Cities  
Canada: Walkerville, Ont. Foreign Div.: New York*

**TRUSCON**  
PRODUCTS for  
**PERMANENT BUILDINGS**

# Startling



ESTABLISHED 1890  
**FRANKLIN R. PLUMB** INC.

PHILADELPHIA **PLUMB** ST. LOUIS



Philadelphia

Sept. 10, 1924.

Wilson Hardware Co.,  
Amsterdam,  
N. Y.

Gentlemen:

Enclosed is a cut-out on the Plumb Axe, for your window or for your counter. Put it on the job selling axes for you.

This cut-out shows how Plumb Take-Up Wedges keep the block head tight on the cut handle - a feature that means more sales for you, and better service to your customers.

Only Plumb Axes have these wonderful wedges that retighten the handle with a turn of the screw. Show your salesmen the advantages of Plumb advertised axes, because why a customer who buys a Plumb Axe always wants a Plumb after that.

Use the Axe Cut-Out and other Plumb Sales helps - free to you for the asking.

- Complete Window Trim;
- Wall Hammer Display Card;
- Data for your newspaper ad;
- Three Signs.

A postcard request will bring them to you.

Yours very truly,

FRANKLIN R. PLUMB, INC.

*John H. Williams*

## Addressograph

P.S. If you cannot get Plumb Axes from us. We will help you elsewhere.

TRADE MARK  
PRINTS FROM TYPE

THE RED

EXCLUSIVELY PLUMB



S. T. Buckingham.

3609 Washington Ave.,

Grand Rapids, Mich.

## Profits For You—

### 8 Distinct Uses

- 1 **Selling**—Speeds out excellently "filled-in" letters, circulars, house organs, price lists, etc., to buyers, salesmen.
- 2 **Recording**—Quickly, accurately imprints shop and office records.
- 3 **Shipping**—Accurately addresses 100 tags a minute—labels, invoices.
- 4 **Collecting**—Gets out statements "on time" when collection chances best—also collection letters, forms. Reveals inactive buyers.
- 5 **Disbursing**—Lists names, numbers, amounts, etc., on Pay and Dividend sheets. Imprints COMPLETE data on checks, etc.
- 6 **Routing**—Lists drivers' sheets—addresses. Factory and Publication routing forms.
- 7 **Straight Addressing**—All forms, publications, etc.; 15 times faster than hands. 100% accurate, neat, legible.
- 8 **Identifying**—Embosses brass tags or name plates for machinery, cream cans, shrubs, etc. Imprints wood or cloth labels.

# Sales of These Famous Firms Converting Thousands to Direct Mail.

BELOW are a few authorized statements of famous concerns who are cutting their selling costs and increasing sales. They point to bigger NET profits for you in 1925.

## Manufacturers:   Retailers:   Others:

### International Harvester Co.

"15 years ago we became convinced that Direct-by-Mail Selling is by far the BEST advertising method for producing actual, traceable sales. Today we spend over HALF A MILLION DOLLARS each year for Direct Mail Advertising in the United States ALONE."

### National Cash Register Co.

"95% of our ENTIRE advertising appropriation is invested in Direct Mail Advertising—because it is the sales result that counts with us."

### Wm. Wrigley Jr. Co.

"OVER NINE MILLION pieces of 'Direct Mail' were sent to our logical prospects last year with 2 Addressographs and 3 girls." Mr. Wrigley doesn't circularize for fun. He has become famous for making his advertising PAY.

### Marshall Field & Co.

PROBABLY no store in the world invests so much money in Direct Mail Selling as does Marshall Field & Co. Certainly no organization anywhere produces higher quality Direct Mail selling messages than those which this famous store regularly sends to its customers and prospects.

### Abraham & Straus

3 YEARS ago Brooklyn's largest Department Store would not consider Direct Mail Advertising. Today Abraham & Straus are one of the largest Direct Mail advertisers. RESULTS converted them! Within 72 hours after mailing an Oriental rug circular, \$50,000 worth of rugs had been sold to the people whose names appeared on respective mailing list.

### Newcomb-Endicott & Co.

"DETROIT'S oldest Department Store is probably making as big gains if not bigger gains than any other Department Store in the U. S. We are doing it through Direct-by-Mail Advertising. Our advertising cost on items advertised in newspapers averages better than 20%. But through personal letters to our logical trade, we are selling rugs, clothing, etc., at an advertising cost of not 20%—but less than 5%."

### Mercantile Trust Co.

PRESIDENT Festus J. Wade's noted St. Louis Bank regularly mails each month 80,000 pieces of business-building Direct Mail literature to present and prospective customers. In short, President Wade practices what he preaches when he advises his commercial clients "to advertise."

### A. W. Shaw Co.

THIS famous Chicago publisher of SYSTEM annually sells hundreds of thousands of dollars worth of books to business men ENTIRELY through Direct Mail Advertising and the Addressograph.

### Southland Pecan Co.

"WE DO a large amount of Direct Mail Advertising—and it would be difficult to compute the value of the Addressograph to us in this work. It affects a big saving in clerical cost and enables us to handle large mailings in one day which would otherwise require a week."



Prints Thru a Ribbon

### FREE Trial Helps You SAVE & SELL more—

YOU don't have to spend a penny—or obligate yourself in the least. Just let a FREE trial Addressograph CONCLUSIVELY PROVE that it will INCREASE your sales—and reduce your expense. No cost or obligation—just mail coupon below, as thousands of others have done so profitably.

### JUST MAIL COUPON FOR FREE BOOKLET—

**does  
your  
advertising  
PAY?**

**MAIL  
WITH  
YOUR LET-  
TERHEAD**

To Addressograph Co.  
909 W. Van Buren St., Chicago

☐ Send FREE book "Does Your Advertising Pay?"

☐ Send PREPAID FREE trial Hand Machine. Will return COLLECT unless we buy.

86-5-25

# For 2½ cents a square foot you can get well located spur track floor space

Within 5 minutes' walk of San Francisco's downtown business district you can get well-located spur track floor space for 2½ cents a square foot per month.

These are modern industrial buildings. Insurance is correspondingly low. The San Francisco net tax rate, \$1.735, is the lowest on the Pacific Coast and with one exception the lowest in America among large cities.

## Special Advantages

These locations are within easy trucking distance of the San Francisco waterfront piers, and are quickly accessible to employes by many streetcar lines from all parts of the city. For ordinary manufacture, no heat is required because of the moderate mean daily temperatures, ranging almost entirely between 50° and 60°, that prevail throughout the year. These same temperatures, and the invigorating climatic tone, increase labor efficiency, as shown in many tests, from 15% to 50% in the various lines of industry.

In addition, relations between manufacturers and employes are exceptionally harmonious and home ownership is above the average. Employes

in all lines as a rule like to live in San Francisco. Wages are on a par with those elsewhere. The wage dollar buys more. All these factors make for low labor turnover.

## A Growing Market

More than a million people, exceptionally well-to-do and accustomed to good living, are within a ten-mile radius of San Francisco Bay, and ten million people live in San Francisco's market territory.

## Send for this Booklet

If you are interested in national manufacturing and distribution, let us send you "Fundamentals of Industrial Development," an impartial and concise monograph by F. T. Letchfield, an authority on this subject. It gives you, reliably and in condensed form, the real picture of today's industrial outlook as indicated by the four basic factors of *markets, materials, transportation and labor*.

Fill in and mail the coupon to Californians Inc., San Francisco, Calif.



Present-day problems of the national manufacturer and distributor are reduced to their scientific essentials, basic to all industries, in F. T. Letchfield's clear and authoritative monograph, "Fundamentals of Industrial Development," sent on request.

# San Francisco THE COMMERCIAL and INDUSTRIAL CAPITAL of the PACIFIC COAST

## Californians

140 MONTGOMERY ST.  
ROOM 803



Inc.  
HEADQUARTERS  
SAN FRANCISCO

Send me "Fundamentals of  
Industrial Development"

Name \_\_\_\_\_

Business \_\_\_\_\_

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## A book illustrating

*just how Acme benefits and promotes business*

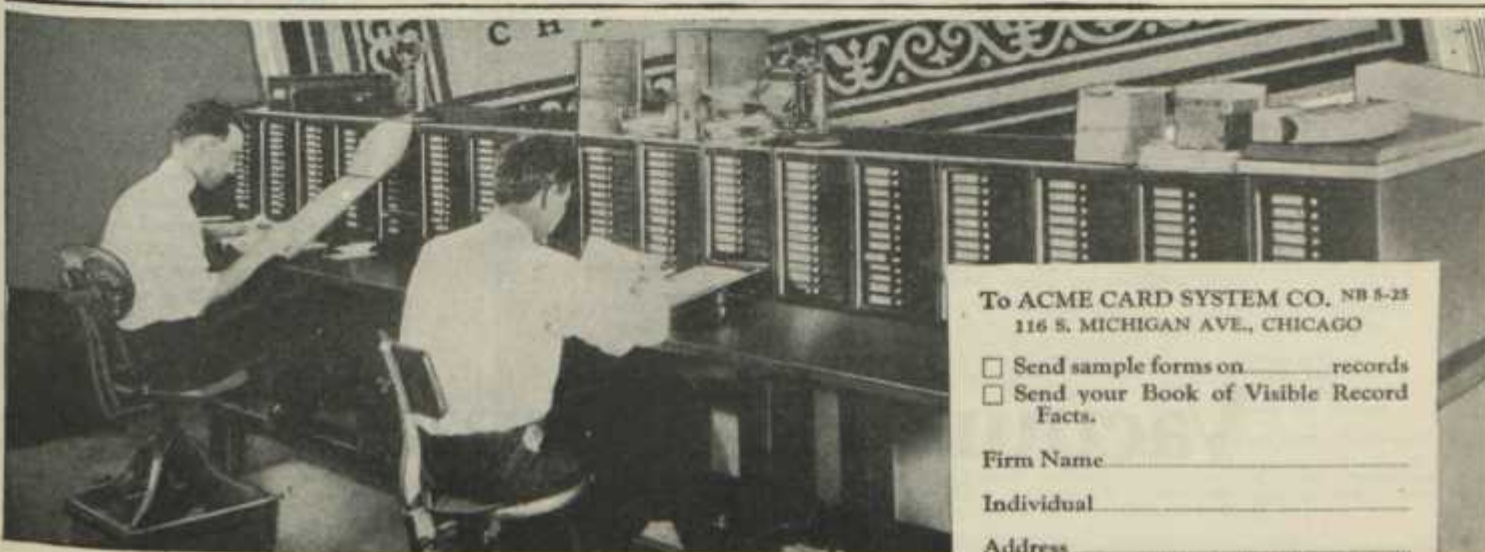
This book, just issued, is a complete and illuminating review of present day record keeping methods. The text is based on facts gathered from hundreds of nationally known institutions, dealing with records of every kind and provides a ready answer to the many questions arising daily.

Visible equipment when applied will benefit every department of your business.

More than 6,000 sample forms dealing with commercial records are available to you.

Use your letterhead or the coupon provided in requesting a copy of this book.

**ACME CARD SYSTEM COMPANY, General Office: 116 So. Michigan Ave., CHICAGO**  
OFFICES IN MOST PRINCIPAL CITIES



To ACME CARD SYSTEM CO. NB 5-25  
116 S. MICHIGAN AVE., CHICAGO

- ☐ Send sample forms on \_\_\_\_\_ records  
☐ Send your Book of Visible Record Facts.

Firm Name \_\_\_\_\_

Individual \_\_\_\_\_

Address \_\_\_\_\_

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# Striking cuts in manufacturing costs



THE WISE EXECUTIVE seeking to economize on costs will first make sure of the efficiency of his lubrication.

Why? Because correct lubrication bears directly on economical operation.

In a hundred dollars' worth of your finished products, your lubrication expense will amount to only a very few cents.

A few dollars' apparent saving in lubricating oil may easily cause you thousands of dollars' worth of waste, distributed among such items as

- wasted horsepower—at upwards of \$60 per h. p. per year;
- shortened life of your machinery; this can easily run into high figures;
- interrupted flow of your production, through stops for machine repairs;
- wasted time and wages of men who are waiting for the repairs to be made.

The sum total of these wastes is a very real burden to production costs.

On the other hand, the most efficient lubrication obtainable costs relatively little.

It is our business to manufacture and apply oils which eliminate the wastes and dangers of incorrect lubrication. We know of no industry in which we have been unable to effect striking cuts in manufacturing costs.

With the cooperation of your plant operatives we will gladly assume full responsibility for the correct lubrication of your entire plant. In effect, the plant which engages the Vacuum Oil Company adds the facilities of an immense lubrication laboratory.

If you will address our nearest branch office, we will get in touch with you.

New York (Main Office), Albany, Boston, Buffalo, Chicago, Dallas, Des Moines, Detroit, Indianapolis, Kansas City, Mo., Milwaukee, Minneapolis, New Haven, Oklahoma City, Peoria, Philadelphia, Pittsburgh, Portland, Me., Rochester, St. Louis, Springfield, Mass.



## Lubricating Oils for Plant Lubrication

IF the Vacuum Oil Company lubricates your plant, you use an organization which has specialized in lubrication for 59 years, whose engineers and field men visit over 200,000 plants yearly, whose treatises are recognized engineering textbooks. Gargoyle Lubricating Oils are approved specifically by 225 foremost machinery builders, and lubricate industries the world over.

# Vacuum Oil Company

NEW YORK



## THROUGH THE EDITOR'S SPECTACLES

TWO MONTHS ago we commented on the phrase that flies so readily from every tongue—"There ought to be a law." We suggested one more club—a "There-Ought-To-Be-Fewer-Laws" Club. No dues, no by-laws nor constitution, no meetings, no officers, just a great body of men to think occasionally of repealing laws instead of passing some more of them.

Last month we were pleased to announce prominent neophytes of our new club in the persons of Senator Beveridge, former Vice-President Marshall and Governor Hartley. This month we are proud to record neophytes Borah, Reed and Wilcox.

Senator Borah, speaking in Chicago, says:

If some humanitarian cause calls us from one corner of the country, or some economic distress sounds a note of alarm from another, those in public life, apparently not knowing what else to do, propose some change in the structure of the Government: "There ought to be a law." Every conceivable thing relating to human activities is being given over to bureaus, administered from Washington.

The remorseless urge of centralization, the insatiable law of bureaucracy, are depriving more and more of the people of all voice, all rights touching home and hearthstone, of family and neighbor. There is not a custom, practice or habit but must soon be censored from Washington. There is not in all relationship—of parent and child, of family and home, anything sufficiently private or sacred to exempt it from the furtive life of the special agent.

Senator Reed earns the great distinction of nomination to our club by his speech before the Missouri Legislature. Here's a quotation:

Federal officers by the thousands swarm over the country, assuming a right of espionage and arrest repugnant to the genius of our Government. There is scarcely any activity in life from the rearing of babies to the massing of armies which is not now subject to the surveillance and jurisdiction of government officers, agents, spies and courts.

Mr. E. V. Wilcox also qualified in his article "The Overproduction of Laws," in the *Harvard Graduate Magazine*. He states that we are adding 200,000 laws yearly to our 2,000,000 laws and ordinances now in force. Quantity production, it looks like, for Mr. Wilcox points out that whereas we have only one law for each fifty of our population we are remedying that by passing a law nowadays for every seven babies born.

"We are a versatile people," says Mr. Wilcox. "We have more schools, more automobiles, more chewing gum, more railroad mileage, and more laws than any other nation."

A New York policeman has only 16,000 ordinances to memorize, to say nothing of state and federal laws with which he must be familiar. Mr. Wilcox goes on:

Courts, lawyers and populace are dumbfounded by the avalanche of laws—laws often self-contradictory and, at best, mutually contradictory, laws which settle nothing and lead into an endless quagmire of litigation. Last year it took 13,000 permanently recorded decisions of the highest courts covering 175,000 pages to explain in part what the annual crop of 12,000 statutes

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Vol. 13

No. 5

## THE NATION'S BUSINESS

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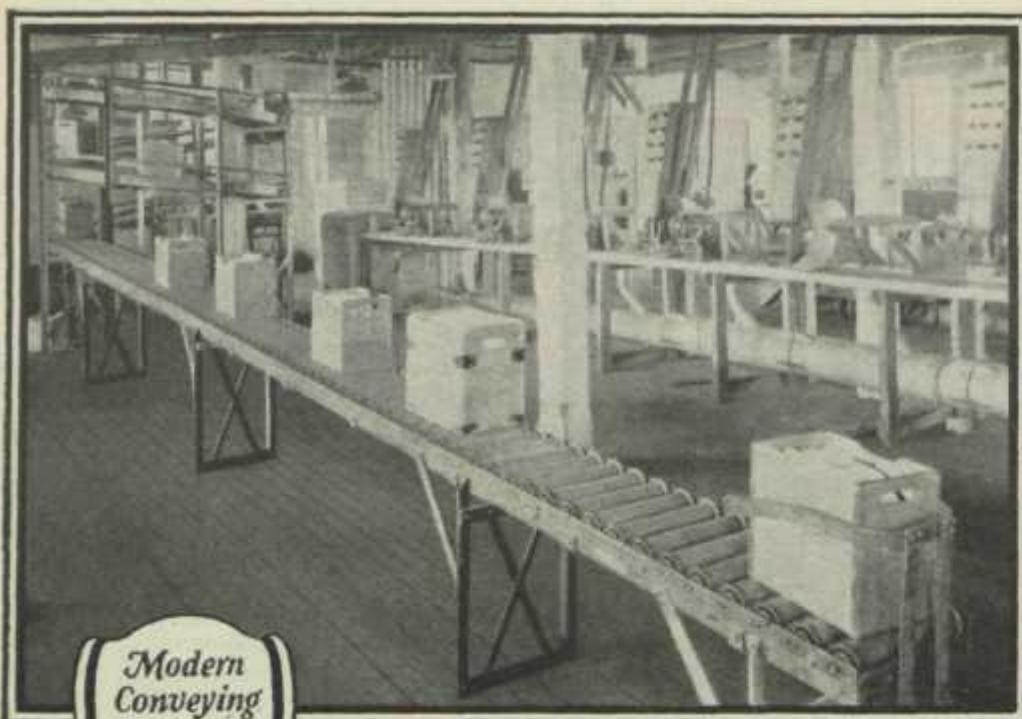
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SUBSCRIPTION RATES: Three years for \$7.50 (full term); one year for \$3.00 (part term); single copies, 25 cents.

As the official magazine of the National Chamber, this publication carries authoritative notices and articles in regard to the activities of the Chamber. But in all other respects, the Chamber is not responsible for the contents of the article or for the opinion to which expression is given.



*Modern  
Conveying  
with  
Mathews*

*In plant of The Aeolian Company, Meriden, Conn.*

## Consider Conveying

TAKE a walk around the factory with your eyes closed to some of the things that usually claim your attention, and note the places where production would be helped and expenses cut by the application of modern conveying methods.

You will see, perhaps, men waiting for materials in one department, materials which are ready but waiting for trucks to bring them; in another department the lack of boxes or trays or some minor but essential item may be holding things up. Perhaps an elevator has gone on strike, making the time of a dozen men unproductive, while their pay goes on.

On an upper floor (this is a situation frequently found) boxes are being lifted onto trucks, trundled to an elevator, carried down, then trundled off and out to the shipping platform. A gravity spiral roller conveyor or spiral chute would take them down for a fraction of the present cost.

Mathews builds both power and gravity conveyers, roller, belt, apron, spiral, metal chute, automatic elevator, etc. Whether the need is for a complete system or a single section of conveyor in one department, Mathews' unmatched experience is at your service.

Let the Mathews District Engineer look this situation over with you or the man you choose to designate, with a view to determining what a conveying system would accomplish in your business.

**MATHEWS CONVEYER COMPANY**  
148 Tenth Street Ellwood City, Pa.  
Canadian Factory: Port Hope, Ont.  
Branch Offices and District Engineers in all Principal Cities

# MATHEWS

## Conveyer Systems

*Increase Plant Profits*

*When writing to MATHEWS CONVEYER COMPANY please mention Nation's Business*

meant. The courts have to spend 90 per cent of their time determining what the laws mean and 10 per cent on whether the defendants have broken them.

Thus laws, lawyers and law-makers, in a dizzy merry-go-round, befuddle the people.

**THE** *Kansas City Star*, commenting editorially on our remarks, suggests that there is one industry in the United States which needs regulating and that is the law-making industry. Some little industry it is: 100,000 men with secretaries, stenographers, clerks, are grinding out laws at an initial cost of nine hundred dollars per law and, as has been sagely remarked, "the first cost is not the last cost."

**IT** HAS been suggested by an enthusiastic reader who enrolled in our new club that as soon as the club gets under way we might have a week named after us, such as, "Eat a Prune Week" or "Wear Suspenders Week," and go out and repeal laws wholesale, each one repealing the pet laws of the other fellow.

Not so ridiculous, at that. The great Roman Empire did just that thing. It became so hog-tied with laws that it took a week off and repealed 85 per cent of them, leaving 2,000 laws to get along on. The trouble with the Roman Empire was that it waited too long before taking its medicine. The remedy came too late and its Decline, made famous by Editor Gibbon, moved on remorselessly to a Fall.

**ARTEMAS** WARD, who died recently, was an advertising man in New York. Every day he scrambled into the subway, hesitating a moment to buy a newspaper at the entrance, and then waited for a train on the platform. One day he had an idea, not unusual among advertising men. Only Ward's was very simple—fundamental—so obvious that the millions of others using the subway every day had never seen it. Why not put the newsstands on the platforms below, where there was more space and more time to buy? Why not also sell magazines, chewing gum, safety razors, candy, flowers?

Last year he and his idea paid the Interborough \$900,000 for the merchandising and advertising privilege in the subway and had entered into a contract to pay \$1,800,000 a year by 1929.

He was the only one of all the multitude in New York who had not kicked the million-dollar idea out of his daily way.

**NAMES** are precarious things.

William Feather came in the other day and said that he had had some pleasant comment on "The Pig That Didn't Go to Market."

"But," he went on, "I'm pretty nearly afraid to go back to the little town where my farm is. You see, I called Otto in that article by his real name; and I never thought NATION'S BUSINESS would reach that town. But it did; and the last time I was by there, there was a look in Otto's eye that made me fear the worst."

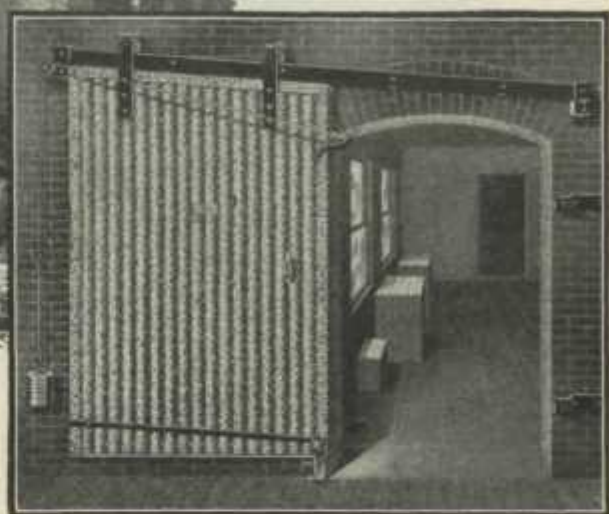
A man who used to be with a mail-order house and who heard what Mr. Feather said, added this:

"We were getting out a catalog which was to have a circulation of some five million, and one page of which was a sample order-blank.

"It was made out in the name of, say Mrs. John Brown, of Pontiac, Michigan, and I said, 'There is probably a Mrs. John Brown in Pontiac. Let's pick out some name that won't hit anybody.' And we did. But we had hardly gotten the catalog well under way when a woman of that name—and a name that



View after fire in warehouse of  
Albert Dickinson & Co., Min-  
neapolis.  
Automatic operation of R-W  
Fire Doors saved property and  
stock worth over \$200,000.00.



# \$2,841,119,653

## Aggregate of Fire Losses in the United States Since the World War



"Quality leaves its imprint"

**Constructive and Progressive**  
R-W Automatic Fire Doors and Fire Door Hardware is doing much to curb fire losses. Equally as well is every item of R-W manufacture serving a useful purpose. R-W Doorway equipment eliminates all doorway trouble. Equipped with these hangers any door that slides—fire, barn, house, elevator, industrial or garage—functions 100% right. Doorways are vital—problems concerning doorways are vital—let the R-W Engineering Dept. help you solve them, without cost or obligation.

Figures that stagger the imagination. They would be incredible were they not the official finding of the National Board of Fire Underwriters. More than twice as large as the public debt when the United States entered the war. But—enormous as this total—think how much larger it would have been were not so many great buildings equipped with R-W Automatic Fire Doors and Fire Door Hardware. Let a fire start and the action of the heat automatically closes the doors. The fire is confined to point of origin. R-W Automatic Fire Door Equipment bears the label of the Underwriters Laboratories. And because these R-W Fire Doors serve so effectively in preventing fire losses, buildings equipped with them enjoy substantial reductions in fire-insurance premiums.

# Richards-Wilcox Mfg. Co.

"A Hanger for any Door that Slides."

AURORA, ILLINOIS, U.S.A.

New York Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans  
Chicago Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit  
Montreal • RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. • Winnipeg

(715)

# JIMMY throws out his Chest



"FAR be it from me to shout my own praises, Susan. You know that—I hope."

Jimmy Warren guided his wife to the big display window and waited for her reply.

"All right," she said at last, "what have you done now?"

"Well"—he spoke in his most nonchalant manner—"what do you think of that washing machine over there? That 'Conlon'."

"Good looking! But why puff out your chest about it? Oh, I see! That's the washer you helped design, is it?"

"Exactly, glad you like it. I guess I never told you the whole story, but it's one of the most interesting jobs the Youngstown Pressed Steel Company ever did."

"You see, we had already saved the Conlon Corporation a lot of money by making pressed steel parts in the past, so when they decided to put out this new electric washer they wrote us. Told us a little about their plans and asked to see what we could do."

"The chief wrote right back that he was sending on one of his Pressed Steel Engineers and, you remember, I packed up and left for Chicago, next train. Hadn't been there ten minutes before I was in session with their own designers and engineers."

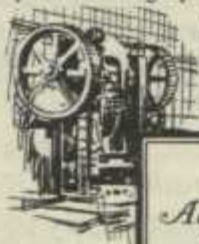
"Right away I saw we could give them a beautiful job. Starting from scratch,

and working right with their own men, we got the thing lined up to everybody's satisfaction from the start-off."

"After a few days of going over the problem, I brought all the drawings and data back to the plant and then the YPS staff got to work and turned out preliminary designs and sample parts. And, believe me, the Conlon folks were tickled with what I had to show 'em my next trip!"

"Now, they've got a machine that's about a quarter lighter than if they'd used castings. And they don't have a bit of complaint because of cracked parts, because pressed steel just won't break. And, of course, with the YPS equipment and those big presses turning out the parts to exact measurement and ready punched, they had a remarkably low price from us, as compared to castings, and their assembling cost is way down."

"So naturally, Conlon thinks pretty highly of YPS service, and, having a good deal to do with the job, I feel like swelling up considerably every time I see a Conlon Washer."



## Adventures in Redesign

THIS little book offers interesting and profitable reading if you are manufacturing products now made up of cast-metal parts.

It relates many remarkable instances wherein "pressing from steel instead" has reduced weight, increased strength and vastly improved the character of products for almost every branch of industry. A request on your business letterhead will bring it—free.

THE YOUNGSTOWN PRESSED STEEL CO.  
"Pioneers in Pressed Steel Redesign"  
Warren, Ohio



we thought no one ever had—wrote in and complained sadly that we were making fun of her."

It wasn't twenty minutes after this talk that a letter came across my desk which said this of "A Country Banker Sees the Show," by Wellesley Tufts:

Mr. Tufts was very unfortunate in the selection of one of the names for one of his characters whom he called "Bob Timmons" for the reason that I am known as such to thousands of Rotarians all over the United States and Canada and for that matter, many hundreds in the British Isles. You know our custom in Rotary of calling a man by his given name. I wouldn't have cared so much had he made "Bob Timmons" a different type; but it grills me to the core when I see the depiction that he has made of this character when I recall that even as a high school and college student I was always so opposed to governmental interference in business that I would never accept on any of my debating teams that side of the question which forced me to argue in favor of government or municipal ownership.

Perhaps it is safer to stick to Smith.

MASS production, simplification, lowered selling costs. These things are in the minds and the conversation of business men.

But until we got a questionnaire from an instructor in English the other day, we had no idea what was being done along these lines by that leading American industry—the manufacture of short stories.

Starting with the statement that several hundred manuscripts are sent out each year by faculty and students, and most of them to the wrong magazines, he winds up with a list of sixty-two kinds of stories. The editor is invited to scratch out what he can't use, underline what he might use, and check what he is particularly interested in.

The list is inspiring. It starts with "sea stories," and ends with "stories with happy endings." Among the sixty-two are:

- Stories that begin in medias res.
- Puppy love stories.
- Illicit love stories.
- Platonic love stories.
- Stories of high passions, hate, fear, scorn.
- Diplomacy stories.
- Radio stories.
- Religious stories.

The classification is too long, alas, to list; but we admire the lumping together of these:

- Stories about children.
- Stories about married people.
- Stories about poverty.

Any man who buys shoes and trousers for one or more small boys will tell you these three belong together.

We recommend this effort at standardization in literature to the Division of Simplified Practice in the Department of Commerce. It may be that a Commodity Division devoted to short story output should be added to that Department.

A WRITER in the *News-Herald* of Joplin, Mo., recently said that Brooklyn is the least appreciated city in America. When an impression of that kind reaches from Long Island to the Ozarks, there must be something to it.

I mentioned this to a Brooklyn business man and he said: "We realize that, and we are going to change it. I am going to begin to change it now by telling you that a New York State report shows that before 1926 the Borough of Brooklyn will have a larger population than will Manhattan."

"Perhaps we Brooklyn people ourselves are largely responsible for the wrong impression. I

will admit that we are modest and we spend a great deal of time attending to our own business. It is up to us to learn about the rest of the United States and then the United States will know us. With that in mind, our Chamber of Commerce is about to make a 9,000-mile trip out to the Pacific coast and back by way of Canada. We intend to have Brooklyn appreciated so they will recognize us even down in southwestern Missouri."

**THE NATIONAL** Chamber lost one of its oldest friends when A. B. Farquhar, of York, Pa., died a few weeks ago. He took an active part in the organization of the Chamber—was elected a vice-president at the first meeting of the board, in April, 1912. He held that post until 1915, when he was made honorary vice-president, an office which he held until his death.

To him the post was not a mere compliment. It was a job to be done. It was rarely that he missed a meeting of the official board of the Chamber. Mr. Farquhar's was a long life full of varied activities.

A fascinating chapter of autobiography is his account, in "The First Million the Hardest," of his trip to New York at the age of 19 to ask the rich men of that day how to make a million dollars.

**WHY BROWN** eggs for Boston and white eggs for New York? We raised that question last month but didn't answer it. Here's another color scheme in food:

There are many kinds of salmon, some red, others pink and some just white. The white-meat fish is good food, but only the pink and red find a market in the United States. So the canners developed a market for the white salmon in the South Sea Islands, and each can bore the legend:

THIS SALMON GUARANTEED NOT  
TO TURN RED AFTER CANNING

And today the South Sea people will not touch salmon that carries even the slightest tinge of color.

And the French want their oysters green as one of our editorial writers points out. Another contributor tells us that the failure in the fashion for ostrich feathers cost the farmers in South Africa £2,000,000 a year.

Business has its oddities and its romances.

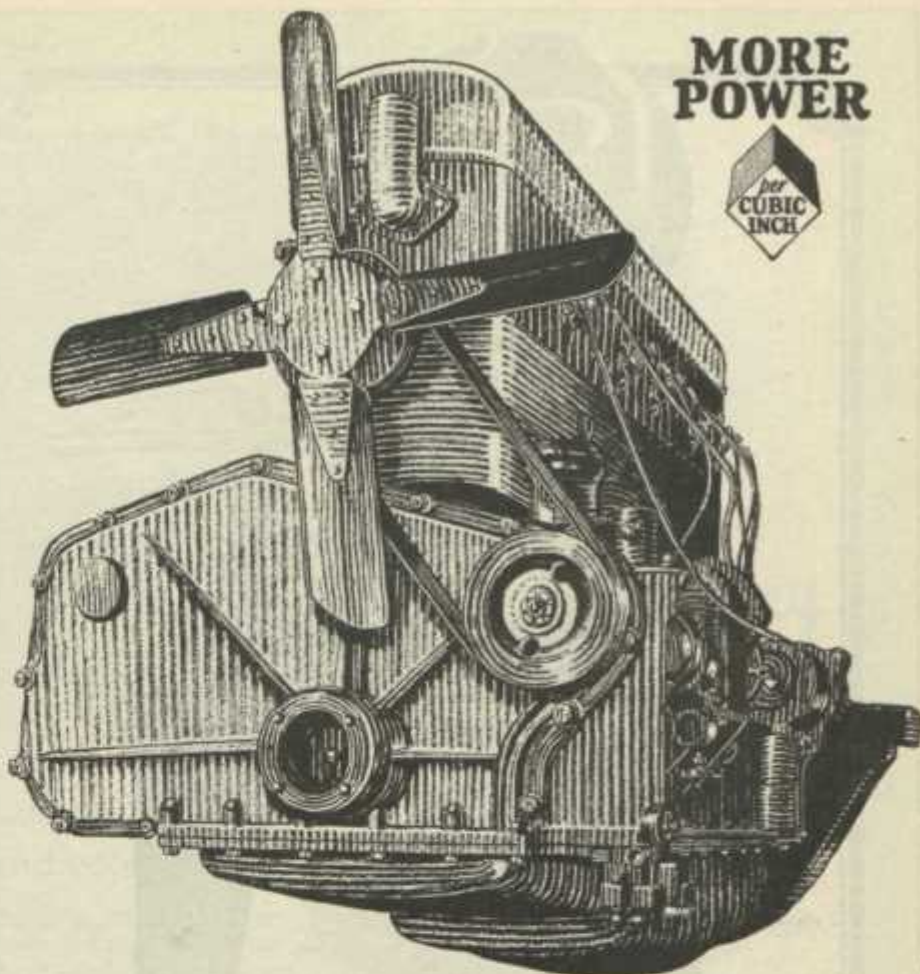
**THAT** the small checking account is very often a losing piece of business for the bank was the subject of an article a short time ago in the magazine. A banker in discussing the article said:

"While there might be a direct loss at the start, we would be very glad to take any small checking account offered.

"It is the small accounts that often develop into the large and profitable ones," he said. "In every business there are operations that can be figured as being a direct loss. If a department store were to figure the cost of selling a five-cent article, there usually would be no profit shown on the sale, but it prepares the road to a fifty-dollar transaction. Banks are more and more being operated along the lines of merchandising institutions.

"In some banking houses today it is still necessary to be introduced to be permitted to open an account. That custom is passing rapidly.

"There was a trust company located on a busy corner in an old-fashioned bank building with only one entrance. It remodeled



## How Gas-Saving Buys 40% of a Bus

Wisconsin power puts 40 per cent of the price of the bus back into the owner's pocket. For instance:

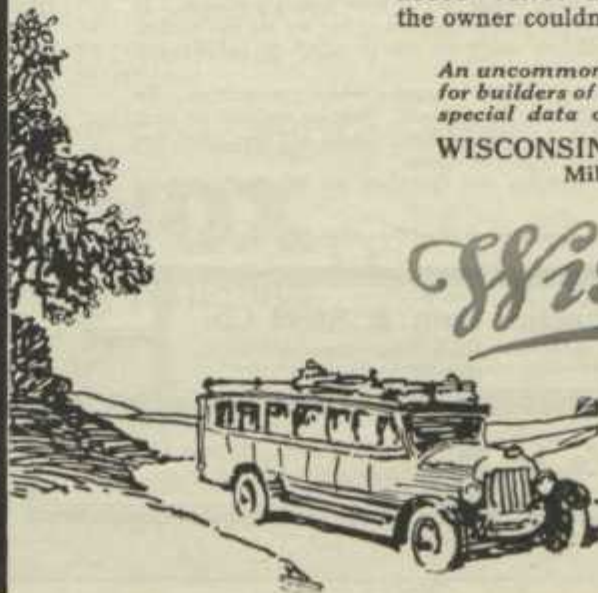
Two more miles per gallon, for 300,000 miles, is a saving of 25,000 gallons—which, at only 15 cents a gallon, means \$3,750 saved. And that's 40 per cent of a mighty good bus!

"More Power per Cubic Inch" does it! More Power per Cubic Inch delivers that added "velvet" and that cash-in-hand which the owner couldn't have had otherwise!

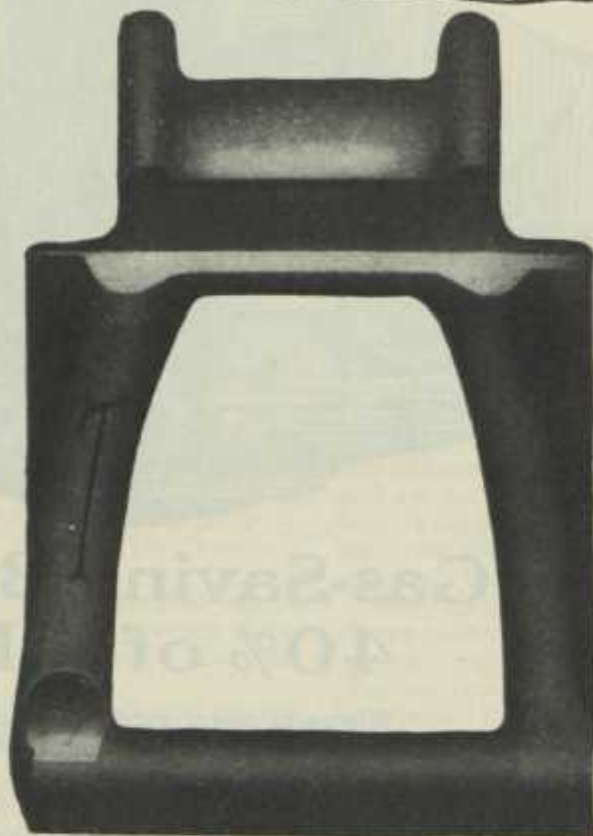
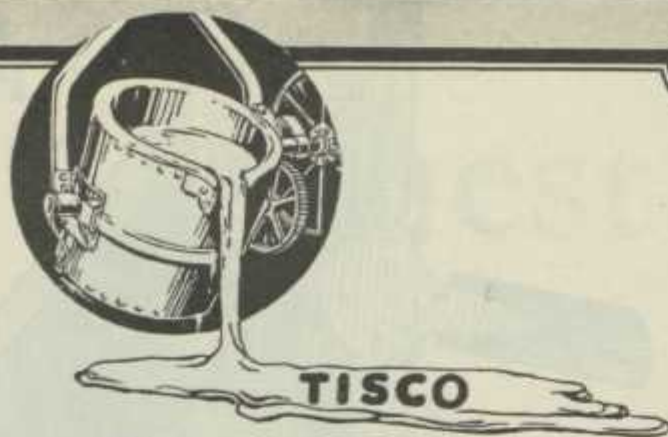
An uncommonly interesting story here for builders of better busses. Write for special data on Wisconsin bus-power

**WISCONSIN MOTOR MFG. CO.**  
Milwaukee, Wis.

*Wisconsin*  
CONSISTENT



Model "Z," 6-cylinder, 4½"x5", 4 three-inch main bearings.  
Brake Horsepower, 53 at 1000 R.P.M.; 77 at 1300 R.P.M.; 95 at 2000 R.P.M.; 105 at 2400 R.P.M.  
Removable cylinder head—3 point suspension—centrifugal water pump—force feed oiling—arranged for starter, generator, magneto, air compressor.



## TISCO Manganese Steel Chain in Standard or Special Designs with Attachments

Taylor-Wharton Iron and Steel Company is the originator of the use of Manganese Steel in this country. The first heat was poured in November, 1892.

Tisco Manganese Steel Chain is one of our most staple products. It is made in all standard types and attachments, but we do not confine ourselves to standard designs only; we are prepared to submit any special design required.

This chain is of vital interest to all industries where strength and the ability to withstand abrasions is required. Service records in such industries show that Tisco Manganese Steel Chain will last from five to fifteen times longer than malleable chain.

Chain Bulletin 113-J illustrates and describes the principal designs. Send for it.

Address Taylor-Wharton Iron & Steel Co., High Bridge, N. J.

### Taylor-Wharton Iron & Steel Co.

*Sole owner of the Hibbard-Hotze Patents covering basic process for the electric manufacture of manganese steel*

Wm. Wharton, Jr., & Co., Inc.

Tioga Steel & Iron Co.  
Philadelphia Roll & Mach. Co.

its building and put an entrance on the other street, making a diagonal passage-way which became a popular shortcut. One of the directors protested, saying that all the people would be walking through the bank. The president, who had been a successful merchant, said he hoped they would; it would be only a question of time before they would find that it was a very convenient place for an account, and the whole note of his advertising was that you were welcome in that bank and that a dollar would start an account for you.

"The open-door welcome policy made the bank one of the largest and strongest in the town in a few years."

**HENRY DISSTON & SONS** have been making saws for 85 years, which is an achievement in this country of frequent business changes. Disston & Sons are proud of another achievement: that after nine years of safety campaigning they have reduced accidents in their plants 80 per cent. In 1916 there were 300 accidents which cost men a day or more, and in all 5,471 days were lost. In 1924, with a larger force, only 71 men lost a day or more, and the time lost was only 1,174 days.

That may not be a record, but it's a good mark to shoot at. It would be interesting to know what companies have done better.

**JOHN WESLEY** wrote this in his diary 140 years ago:

Mon. 2. On my way to Exeter I read over an ingenious tract containing some observations which I never saw before. In particular, that if corn sells for twice as much now as it did at the time of the Revolution, it is in effect no dearer than it was then, because we have now twice as much money; that if other things now sell for twice as much as they did then, corn ought to do so, too; that though the price of all things increases as money increases, yet they are really no dearer than they were before; and that, lastly, to petition Parliament to alter these things is to put them upon impossibilities and can answer no end but that of inflaming them against their governors.

The NATION'S BUSINESS is still preaching the same doctrine as did the man who wrote this tract. And there are still unbelievers.

**A** COMPANY manufacturing sundries went into the hair-net business about ten years ago and developed a large and profitable trade by good merchandise and strong advertising.

Then Irene Castle bobbed her hair, and one day the manufacturers found themselves with a well-advertised brand of merchandise left on their hands and no market.

Almost across the street from them was a corset manufacturer. The women decided to abandon stays and his plant was paralyzed.

The corset man relieved his situation to a degree by an aggressive campaign on brasieres, girdles and corselettes, if you know what they are. He is coming back.

The hair-net man reported the other day that the sun is again beginning to shine for him. Someone in Paris has announced to the fashion world that the ladies are going back to long hair. Also, the bobbed-hair division has learned that the marcel—i.e., the curl—will last longer if nets are worn at night. Bobbed or long hair, the hair-net business is returning.

"But you can't tell me that all gambling is done in gambling houses," he said. "When I feel that I want to take a chance after this I will manufacture something that depends on feminine fashion."

*M.T.*

THIS BLAW-KNOX steel building, now serving as a machine shop, is shown temporarily erected in the public square, Baltimore, Md., where it was first used to house the costly exhibit of the topographical map of the Baltimore Harbor project. The thousands who viewed this exhibit were equally impressed by the unique features of the Blaw-Knox steel building.



## Inspect BLAW-KNOX Steel Buildings

### Note their long life and economy

**B**EFORE you decide on any building, inspect Blaw-Knox installations. Not just those of the past four or five years, but buildings which were erected from similar designs and material from ten to fifteen years ago. We are proud to exhibit these older buildings.

Convince yourself of the long life, sturdy construction, fine appearance, dependable service and economy of Blaw-Knox buildings. Not only is their first cost lower than other constructions having similar merits, but their up-keep charge is negligible.

Blaw-Knox buildings are made from rust-protected, time-tested metal, and they provide positive fire protection. Your specifications can be met exactly in any size or type of building—and immediate delivery guaranteed. The structural frame, sectional units, doors, windows, and all other required parts, are shop-fabricated and partially assembled for quick and easy erection.

Put your needs up to Blaw-Knox. Our contract covers all costs—one final price which you will know in advance. There is no guesswork, no waste, no uncertainty. Every dollar is accounted for to your profit. You can order a Blaw-Knox building on a special financing plan if you wish. Write today for catalog and complete information.

**BLAW-KNOX COMPANY, PITTSBURGH, PA.**  
632 FARMERS BANK BUILDING

District Sales Offices

NEW YORK  
BUFFALO

CHICAGO  
BIRMINGHAM

DETROIT

BALTIMORE  
CLEVELAND, 9500 Quincy Ave.

The 50th anniversary of the origin of the Blaw-Knox steel building celebrates an event of interest to industry and commerce. Everywhere one hears the experienced builder say:

### "If it's a One-story Building— put it up to Blaw-Knox"

The erection of the galvanized metal work on the Centennial buildings in Philadelphia, in 1876, is when and where the Blaw-Knox steel building had its origin.

In Boston, in 1881, the interlocking expansion joint, employed in Blaw-Knox steel buildings, was first introduced.

In 1904, the present Baltimore plant of the Blaw-Knox Company was established and, through increased facilities for manufacture, the all-metal building became more widely known.

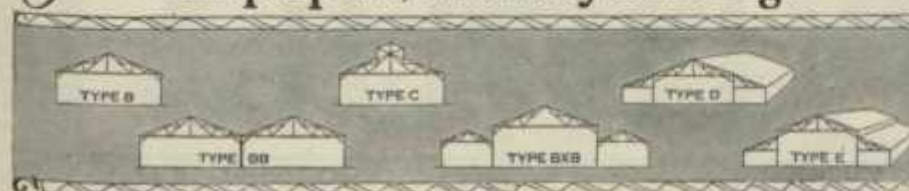
The illustration above shows the first steel building erected at this plant. In spite of its many years of hard service as a utility storage building, this structure is still in use—as good as new.

And today, the great factories at Pittsburgh and Baltimore give substantial evidence of the universal acceptance of Blaw-Knox buildings. They appeal to men of sound business judgment because they furnish proof of high quality and enduring service.

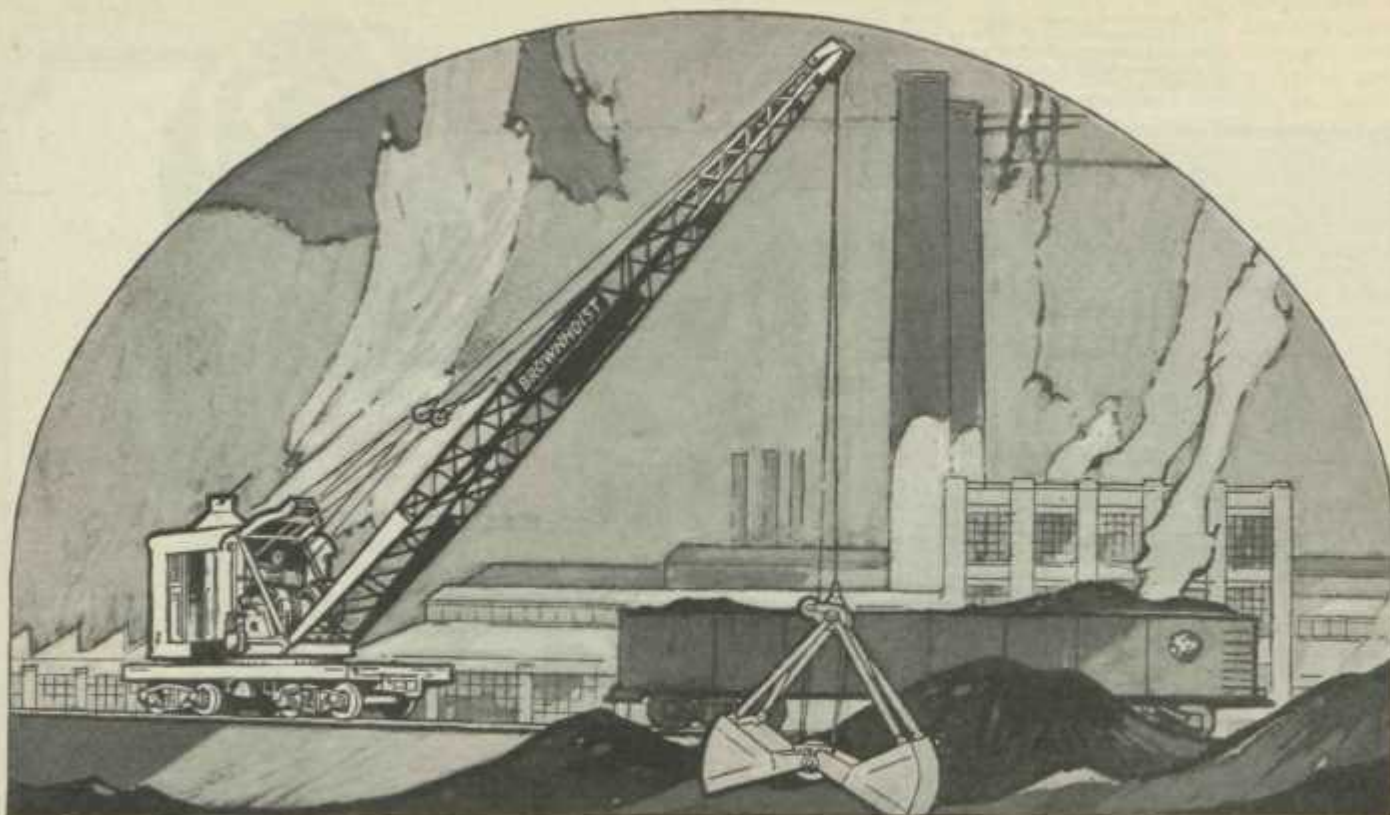
THEY ARE TIME-TESTED

# BLAW-KNOX

## All purpose, one story Buildings



Blaw-Knox Company, Pittsburgh, Pa.  
Without obligation, send me your literature. We have in mind a building  
\_\_\_\_\_ ft. long \_\_\_\_\_ ft. wide,  
to be used for \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
S. B.



## Brownhoists Make Both Your Manpower and Horse-power more Valuable

### Brownhoist Products

*Heavy Dock Machinery, Locomotive Cranes, Belt Conveyors, Chain Conveyors, Bridge Cranes, Gas Shovels, Buckets, etc.*

*Remember that the Brownhoist engineering staff is always at your service in helping work out new economies for every sort of material handling.*

**S**KILLED operators, costly fuel—both these factors in crane operation can produce *more* with the latest models of Brownhoist Locomotive Cranes.

You'll find rugged simplicity in every part, friction and wear reduced to a minimum, controls that are more easily handled, and greater operating speed and daily capacity.

The new 25 ton and 22½ ton Brownhoists have received not only the approval, but the enthusiastic praise of the most exacting buyers and users of locomotive cranes. We believe that it would be very much worth your while to know more about them. May we mail you descriptive matter?

**The Brown Hoisting Machinery Co., Cleveland, Ohio**

Branch Offices: New York, Chicago, Pittsburgh, San Francisco, New Orleans, London, Eng.

# BROWNHOIST

**GOOD MATERIAL HANDLING MACHINERY**

## The Story of a Pair of Shoes

*John Bains Learns About the 35-cent Bull-Calf Hide His Father Sold on the Farm and About the \$9.50 Footgear in Town*

By F. S. TISDALE

Illustrations by R. L. Lambdin

IT WAS the day old Adam Bains killed the bull calf that his son, John, determined to leave the farm. The two events had no connection except that of coincidence in time.

John had long been lured by tales of a larger and easier life in town. There comforts were to be had by the turning of your hand. You turned a valve for water instead of pulling it up from a deep well outdoors; you turned a switch for light instead of burning kerosene; you turned on steam heat in a pipe instead of depending on wood that had to be sawed, chopped, hauled and carried into the house. In town a young fellow found lights, music, movies, people—many things he did not find in the country.

The bull calf had fulfilled his early destiny and Bains senior was removing the hide with a knife. He worked inexpertly—gouging into the skin at one place, stripping off flesh at another. John looked down at the bent shoulders of his sire and without preamble announced in a voice that was louder than necessary:

"Father, I—I'm going to town and get a job."

### Sold for 35 Cents

THE elder Bains finished the skinning of the bull calf in silence. Then he straightened and faced his son.

"You're leaving, too, are you?" he demanded harshly. "Looking for easy work and high wages." Pausing, he looked out over his little farm. He saw a succession of fields where stones seemed to sprout from the soil faster than you could drag them to the fences. The apple trees were gnarled and twisted as if by the agony of drawing their sustenance from a reluctant earth.

"Son," said Adam Bains, in an altered tone, "maybe I'm wrong. There ain't much for you here. I guess you'd be a fool if you didn't try to find something better."

John salted down the calf hide, using cheap salt that had been bought for the cattle. Three days later a peddler rattled up to the farmhouse in an archaic Ford. He bought the bull-calf hide for 35 cents. When he left with it John Bains and his battered suitcase went along.

They bumped over the sunken

roads between crumbling stone fences and files of great elms, past field after field that belonged to neighbors, and then many more fields John had seen seldom before. At last the archaic Ford shuddered to the crest of a ridge from which John Bains could see the town. It lay below in patches of green and white. Spires of the different creeds thrust upward through the trees. Taller than these were the tapering brick chimney and the four-legged tank of the new shoe factory.

### Work on the Dinker

JOHN BAINS had a friend at the shoe factory who took him to the superintendent to apply for a job. The official looked John over, noting his wide shoulders and big hands. "Another raw kid from the farm," said he. "Well, John, I'll try you on the dinker."

John Bains didn't know what a dinker

was, but he soon found out. This companion in labor was a huge machine which cut out soles and heels. It was run by electricity from distant falls. John moved the sheet of leather about under the knife and pressed a foot lever to make it cut. The trick was to get as many heels out of a hide as possible so that there would be a minimum of waste.

The boy's service at the dinker was simple, rough labor. It did not lift him to the proud incomes of such skilled workmen as the lasters and channelers. He made from \$15 to \$20 a week according to the amount of time he put in.

At first there was a glamor to living in town where comforts were to be had by the turning of a hand, but the glamor wore thin when John Bains discovered that his pay was woefully inadequate to his desires. He wanted better clothes, better shoes, a better room in a better boarding-house. And there was a riotous yellow roadster in a show window that he passed on his way to work. He used to stand and gaze at it every morning.

"Twenty a week!" he would mutter. "Hell!"

Dissatisfied lines appeared between John Bains' eyes. And naturally he met Anton Garth. This Garth was a skilled workman—he operated a stitching machine at the shoe plant and made as much as \$40 a week.

### Everything Was Wrong

TO GARTH everything was wrong. Most of us feel that many things are wrong, but with Garth there was this difference—he knew exactly what was wrong and what should be done to right it. You felt when Garth talked that the ears of the Lord must be burning with embarrassment as he realized what an absurd and futile universe he had invented. John Bains learned that somewhere there was a cunning group of conspirators called "Capitalists" who paid labor ridiculous wages for products they sold for enormous profits. Garth never weakened a statement by qualifications. He told John Bains one day:

"Labor produces everything—it gets nothing."

There was an arresting quality in these uncompromising epigrams. John Bains did not accept them all at face value because he had his share of rural common sense; but they fed his restless mood. He worked much at the dinker and made little. Others worked little



"Here I am," he cried, "I'm the terrible guy that charges nine-fifty for a pair of shoes."

and made much. After some weeks in town John Bains' shoes went the way of all shoes—they wore out. A hole appeared in the right sole so that he could feel the pavement against the ball of his foot. He determined to buy a new pair Saturday. When that day came he met the accumulation of claims that lie in wait for one's pay envelope. There was \$7.65 left. With this in his pocket John Bains fared forth for his new pair of shoes.

The window of a store on River Street displayed just the pair he wanted. They were high shoes of fine tan calf. The last had a swing and beauty that appealed to John's desire for better things. Inside, he asked the clerk to show him "that tan bal. in the window." He got his fit and after standing and walking and gyrating and looking at the shoes in the floor mirror he turned to the clerk.

"I'll take 'em," he announced. "How much?"

"Nine dollars and a half," said the clerk.

John had taken his \$7.65 from his pocket. At the clerk's words he hastily thrust the money back. He was mortified and angry—mortified because he hadn't enough money for the shoes he wanted, angry to think that any store would have the nerve to charge so much. Somehow the price of these shoes brought to a head all the injustices which he and Garth had talked of.

"Nine-fifty!" he shouted. "Nine-fifty! Why, I work up here in the shoe factory. I slave three days to make nine dollars and a half. My old man got only 35 cents for a bull-calf hide that would make six shoes like that—and you want nine-fifty for 'em!"

The clerk suggested in some agitation that they had cheaper shoes. But John Bains wouldn't listen. "Nine-fifty!" he repeated. "It's robbery. Highway robbery. The proprietor of this store ought to be shot!"

During this outburst a little man approached John Bains. He wore horn-rimmed spectacles and a harassed look. He waved a slip of paper under the irate customer's nose and laughed a little wildly.

### The "Terrible Guy"

"HERE I am," he cried, still shaking the paper. "I'm the proprietor, young feller. I'm the terrible guy that charges nine-fifty for a pair of shoes and ought to be shot for it. Well, shoot me. It'd almost be a favor. My insurance money would take care of my debts. See this paper? It's from the bank telling me a note for \$5,000 is overdue. If the weather don't turn off bad and make people buy some shoes they can have the store. You think you've got troubles? If you never run a shoe store you don't know what trouble is." He turned on his heel and went off muttering about rent, overhead, mark-downs and taxes.

Silently John Bains took off the nine-fifty shoes and put on his old ones. (How shabby the old bluchers looked beside the shiny magnificence of the tan-bals.) Leaving the store he walked thoughtfully toward a shoe-repair shop he had seen on a side street. He had the countryman's notion that store people have plenty of money and no troubles. Apparently from what he had just heard, the shoe-store business was no monotony of milk and honey.

The repair shop was an ancient frame box wedged between big brick neighbors. A

boot-shaped signboard swung in the winds over the door. The single, small room was lined with shelves of books and pamphlets. More books, pamphlets and clippings were strewn about the floor and heaped in corners. In the center of this accumulation sat the cobbler. He was burnishing the edge of a sole while he read a propped-up booklet. The top of his head was very shiny. He did not

**H**ERE IS the story of a pair of shoes dramatized. Only the form and the plot are fiction—the figures are authentic as of February, 1925. They are taken from government statistics and from the records of firms which make and sell shoes. The story illustrates the complexity of modern commerce. These intricate processes have not been planned and put in force by any sinister man or set of men—they are the result of growth that was logical and inevitable with the introduction of machinery. No one claims this system to be perfect. Improvements will come—and are coming—from the men who work within it; not by theorists who get their ideas of business second hand.

And there is one thing to be said for this intricate machine of modern business—it works!

look up till John Bains had taken off his shoes and said:

"Want these half-sole. I'll wait for 'em." The cobbler studied John Bains with two alert blue eyes as he took the shoes. A spatulate thumb tested the sole that had a hole in it.

"Ah," mused the shoemaker, as if to himself, "one of the young fellers from the shoe factory. I'd say you worked—yes, that's right—you work on the dinker." In reply to John's look of amazement he grinned. "Taint as hard as it looks. I can tell by the way the sole's worn, I've made a long study of shoes. Of men that make 'em and men that wear 'em. I know shoes from cow to consumer. Why, this little shop has been used by shoemakers for a hundred years. Senator Roger Sherman cobbled and studied in one like this. They called him the man who never spoke a foolish word."

An idea struck John Bains suddenly, and he sat up very straight. "I'd like to ask you some things about the shoe business," he said.

Thereupon he told the shoemaker about the hide of the bull calf that sold for 35 cents, about working at the shoe factory for \$15 to \$20 a week, and (with rising ire) about the merchant down the street who wanted \$9.50 for a single pair of shoes.

### Often Looks Unreasonable

"DOES look unreasonable, don't it?" agreed the cobbler. "So many things look that way before you take 'em apart. Now if I was you I'd go out and kill a deer, take his hide and wrap it around my feet like the cave men did. Or you could have got a good pair of shoes up at your factory for \$3.50. Guess you didn't want cheap shoes like that. Wanted something fine and fancy. (John nodded somewhat sheepishly.) Well, you've got some sense. You showed it by bringing these shoes to me. There's a lot of wear left in these uppers."

"But," John insisted, "nine and a half for a pair of shoes! And that bull-calf hide—"

"Brought only 35 cents. Listen close now, and you can ask questions if you make 'em sensible: To your pa that bull-calf hide was just something he had to take off the meat. He hacked it off any old way. He cut the underside—that ruined the surface of the leather. He pulled off hunks of meat—that ruined it some more. He dragged it around in the dirt maybe, and salted it with dirty salt—that put iron stains all the way through it."

"The result was a poor hide—35-cent hide. Don't think that leather would ever get into a nine-fifty pair of shoes. If it did it would be on the inside where it couldn't be seen. If that hide was in very bad shape, it would be chewed up for leather board or for glue."

"Leather for the uppers of those nine-fifty shoes probably grew on a blooded dairy calf. It was sold to a packer and the hide taken off by a skinner who does nothing else. He doesn't cut the skin and he doesn't pull away any meat with it. If he accidentally makes a gash in the hide he is penalized by inspectors. Then the skin is salted with pure salt that leaves no stains. The skinner gets \$40 a week for what he does; the inspector gets a little more than that for what he knows. Every time they touch the hide or look

at the hide, labor goes into it and cost must be added."

"Along comes a buyer from the tanner. A competent person, this buyer. He gets perhaps \$100 a week. The skin is packed, trucked, carried by rail, trucked again, and unpacked at the tanner's. Men and railroads are paid for every move, and the cost goes into the hide."

John Bains wanted to know what the tanner paid for a skin like that.

### 30 Cents Gross Profit

"ABOUT \$2.50 for that hide—not 35 cents, you'll mark. This is a 10-pound skin. In tanning, it goes through thirty-two operations. Again, every man that touches it adds something to its value and takes his pay out of what the skin sells for. They make Russian calf out of that hide—it is soft, tough, shining, flawless. The tanner sells it for \$4.20. If he's lucky he makes a gross profit of 30 cents on it."

Not so bad, John Bains thought. Thirty cents profit.

"Whoa!" the cobbler held up an awl. "I didn't say he made 30 cents profit—I said gross profit. After he's paid his office force, taxes and the rest he may have a loss instead of a profit. The leather business is all shot to pieces. Here's a little clipping that will give some idea of the ups and downs of the tanning business."

He stopped his tapping to dive into a pile of newspaper clippings. Emerging at last with a small piece of newspaper, he read aloud:

"The B— Leather Company reports total income of \$1,353,900 after expenses for the year ended Dec. 31, 1924, against a loss of \$5,434,035 reported from operations in the previous year." For the last two years," he laid down the clipping, "tanners haven't made money. Most of 'em lost. I guess right now them tanners would agree with you that there ain't any justice in the shoe business."

"Now, young feller, nobody's making you

go to a shoe store and buy a nine-fifty pair of shoes. You can kill a deer and make moccasins from the raw hide, or you can buy that sheet of Russian calf for \$4.20 and make your shoes out of it."

"Quit your kiddin'," said John Bains.

### Can Buy 'Em Cheaper

"O' COURSE, you can't make a shoe; there ain't a man in your factory that can. I could, but I ain't fool enough to. I can buy better shoes than I can make and I can buy 'em cheaper than if I put my own work into 'em."

"It makes me kind of dizzy," observed John Bains. "Would you mind getting back to that calf hide?"

"All right. The shoe manufacturer bought that hide for \$4.20. Again it is packed, hauled, railroaded, etc. Workmen are paid for that, and the value of the hide piles up. You know what happens to that hide at the shoe factory. It meets up with the other things that go into the shoe. The tacks, soles, counters, eyelets, laces and all the rest."

"A fine shoe is something to take your hat off to. It's taken the human race a thousand years to learn how to build one. There are more than 200 operations. As many men and women may have a hand in the making. Some hundred and thirty-four machines are used. The manufacturer sells our nine-fifty shoe for, say, \$6.25. If you'd like to see how that \$6.25 splits up—the cobbler dived again into a pile of clippings and brought forth two sheets covered with fractions—here's some figgers from an old friend of mine who makes good shoes. His plant is near New York where rent and labor are higher than in New England. Then his advertising is more than most because he has proved that it pays."

John Bains took the paper. None of it meant much to him until he came to the summing up at the end:

COST OF SHOES SOLD BY MANUFACTURER AT \$6.25		
Factory labor and supervision.....	\$1.37	
Upper leather.....	\$1.14	
Inside leather and linings.....	.20	
Soles, heels, insoles, counters, box toes, welting.....	1.07	Cost of materials.....
Threads, tacks, cement, eyelets, laces, box.....	.23	
Lasts and patterns.....	.08	
Overhead.....	.76	
Selling and advertising.....	.85	
Profit.....	.41	
Total.....	\$6.25	

"Overhead, 76 cents," read John Bains. "What's overhead?" The shoemaker glanced out through the grimy little window. A large navy-blue policeman sauntered past.

"See that cop? He's overhead. So's the fire-engine house down the street. They are government protection, paid for in taxes. Eight cents of that 76 cents goes to state and local taxes. Rent of factory and machines is overhead. So is power, light, heat, depreciation, office salaries and administration, discounts, interests on loans, had debts."



"A peddler rattled up to the farmhouse in an archaic Ford. He bought the bull-calf hide for 35 cents. When he left with it, John Bains and his suit case went along toward the city."

The shoe manufacturer lumps all these necessary evils under 'Overhead.'"

"That ain't much for the men that made the shoe," protested John Bains. "A dollar thirty-seven out of six-twenty-five."

"But men didn't make the shoe. Men and machinery and power made the shoe. A hundred year ago a good shoemaker got a dollar a day. He made by hand one pair of shoes a day. Government records show that hand labor went up to \$2.50 a day by 1863; at that time labor costs on a pair of those shoes was \$4.58. The men couldn't make enough in a ten-hour day to buy a pair of shoes."

"Hands are multiplied by machines these days. Your plant making low-priced shoes with machinery will turn out eight pairs of shoes a day for every man employed. Plenty of men at your factory make enough in one

day to buy even that \$6.25 shoe at the factory—and remember, it's factory costs we've been talking about."

"Let's look at them machines a minute. The dinker you work at cost a lot of money. So did the other machines in the factory. Somebody had to get together a lot of money to build those machines, to set 'em up and to rent 'em. That's one of the things capital does. And don't get the idea that all capitalists wear silk hats every day and do nothing but count money. I'm one, for instance."

I put some of my savings in the shoe plant where you work."

But John Bains was still struggling to understand that nine-fifty shoe. He protested that \$2.86 for materials looked mighty high when the labor only came to \$1.37.

"But," explained the man who understood shoes, "all that material is chuck full of labor costs. Before the eyelets, rubber heels, laces and all the rest came to the shoe factory they each had a long private history like that calf skin. Every time they were worked, every time they were moved, labor costs went into them. How much do you think the material in a shoe would be worth in its raw state? The pig iron for the tacks, untanned hide, unspun cotton for the linings? It would be worth a mighty few cents I can tell you."

"But," grumbled John Bains, "the capitalist gets a 41-cent profit. That's a lot for him to put in his pocket."

"It might be a lot if he could take it out and put it in his pocket. It happens that he can't. First, Uncle Sam steps in and takes 5 cents of that for income tax. Then fourteen cents is put back into the business to guard against bad years and provide for expansion. And there are plenty of bad years. Last year many plants ran without making any money just to keep their organizations together. A strike will wipe out a year's profits."

"After the Government takes 5 cents, and 14 cents has gone back into reserve, there is 22 cents left which the factory owner can put in his pocket. That's less than one-twenty-eighth of what he gets for the shoes."

### Some Shoe Figures

"WELL," said John Bains, "there's a difference of \$3.25 in what the factory sells the shoes for and what the store sells 'em for. The storekeeper must be the robber." And his gorge rose again at the thought of the nine-fifty bails.

"Let's see if he is. That storekeeper told you that he had his troubles. He has. Look at your feet and my feet—they're not the same size. You're wearing a blue tie and I'm not wearing any—we haven't the same tastes. That storekeeper has to keep a raft of

shoes because feet and tastes differ. If we all wanted the same kind of shoes and had the same sized feet, shoes would cost a lot less. Then if customers came in a steady stream all day long instead of crowding in between ten and three, we could get along with maybe a fifth of the shoe stores we now have. And shoes would cost still less.

"What happens to that \$3.25 difference between what the manufacturer gets and the retail price?" The man who understood shoes laid down his hammer and began to figure on a slip of paper. "Here you are. The figures come from a highly successful company. They operate thirty stores in big towns where rent and other expenses are sky high. Advertise more than others, too. Some of the stores have lost for years. But on the whole thirty, they would average a profit of 38 cents on our shoe that sells for nine-fifty. Remember the case isn't typical—I don't know what case would be typical for shoe stores."

This is what John Bains saw on the paper:

#### DIFFERENCE BETWEEN MANUFACTURER'S PRICE AND RETAIL PRICE

Rent.....	\$0.53
Advertising.....	.36
Salaries, salesforce and office.....	1.18
Management.....	.27
Light, heat, freight.....	.19
Store expenses (depreciation, repairs, telephone, local taxes, bad debts, etc.).....	.34
Net profit.....	.38
Total.....	\$3.25

"Life's getting to be kind of complicated, ain't it?"  
"It certainly is," agreed the little cobbler who understood shoes



"If I'd bought that nine-fifty shoe, the storekeeper would have made 38 cents?" asked John Bains.

"Well, I don't know that storekeeper's costs. He might have made more or he might have made less. But remember again, he couldn't take the 38 cents and stick it in his pocket. Uncle Sam comes smelling along for his income tax and takes out something less than 5 cents. Fourteen cents must be put back into

reserve to guard against the perils of the shoe business. If he gets away with a clear profit of 20 cents, that is about one-forty-seventh of what he sold the shoes for." John nodded his head thoughtfully as he studied the cobbler.

"Plenty of perils in the shoe-store business. Plenty!" the little man continued, reaching for a box of tacks. "A hundred and thirty stores reported to the Harvard Graduate School of Business Administration

some years back. Four of that number lost money in 1919, which was a good year; fifty-one of them lost money in 1920, which was a bad year. And there's the little pitfall of changing styles and mark-downs. If your nine-fifty shoes stay on the shelves a few years and the styles make a radical switch, the storekeeper will let you have 'em at almost any price.

"During the war there was a craze among women for high-top shoes that cost merchants around \$12. Lots of those very shoes are still on the shelves. A tony woman would die before she'd be caught wearing 'em now. You'll find those shoes selling on push carts in New York for \$1 a pair—shoes, mind you, that retailed for \$20 when they were in fashion. Somebody had to take that loss."

The shoemaker had finished half-soleing John Bains' shoes. He surveyed them critically at arm's length, rubbing his strong thumb along the edge of the clean leather soles. As he handed them over the young man said thoughtfully:

"Life's getting to be kind of complicated, ain't it?"

"It certainly is," agreed the man who understood shoes.

## Sea Food for 18,000,000 Automobiles

By HARRISON E. HOWE

Editor, *Journal of Industrial & Engineering Chemistry*

INDUSTRY, backed by science, has turned to the ocean for raw material. A floating factory has put to sea to draw bromine from sea water so that the automobiles of the country may run with less gas.

There is plenty of wealth in sea water—that has been known for years—but the job has been to get it out at a price which would be profitable.

Sea water isn't the same in the amount of solid matter it contains, but the make-up of this solid matter is strangely constant.

Bromine is one of the substances usually reported as a "trace" in an analysis of sea water. Seventeen hundred gallons contain about a pound. In other words, the average sea water carries .007 of a per cent of bromine, and heretofore the recovery of so small an amount has been considered economically impossible.

Why then this sudden interest in bromine?

In studying the automobile motor, scientists have found that miles per gallon could be increased at least 20 per cent if higher compression motors could be used and that such motors would be a possibility if "knocking" could be eliminated.

It was found that the best anti-knock ma-

terial was unsatisfactory unless an organic compound of bromine were present. The products of combustion were not properly discharged with the exhaust gases but remained behind to cause sticking valves and other troubles. With even a small amount of bromine present these difficulties disappeared.

With some seventeen million motors to be fed, figures reach astronomical proportions.

While a little bromine has been made from seaweed, most of it has come from bittern, the mother liquor from which salt is crystallized, as a by-product from the potash mines of Germany, and from the wells of Michigan.

The sea had been considered a source, but it contained only .007 of one per cent and was ruled out as impossible.

But now the impossible seems about to come to pass. It has been shown in the laboratory that practically all of the .007 of one per cent can be obtained by a process which first frees the bromine and then precipitates it as an insoluble compound which can be filtered off and when dried is ready for use in the motor fuel. How simple, now that it has been accomplished!

The next step is to be on a scale treating seven thousand gallons of sea water per

minute. The work is simplified if water free from contamination, etc., can be obtained; and so the novel scheme of investing in a ship factory instead of a land factory has been evolved.

The *S. S. Ethyl*, 4300 tons, is the floating factory. Once she was the *Lake Harminis*, of the United States Shipping Board. The Ethyl Gas Corporation has bought the ship and fitted her over, equipped, it is thought, to make 100,000 pounds of bromine a month.

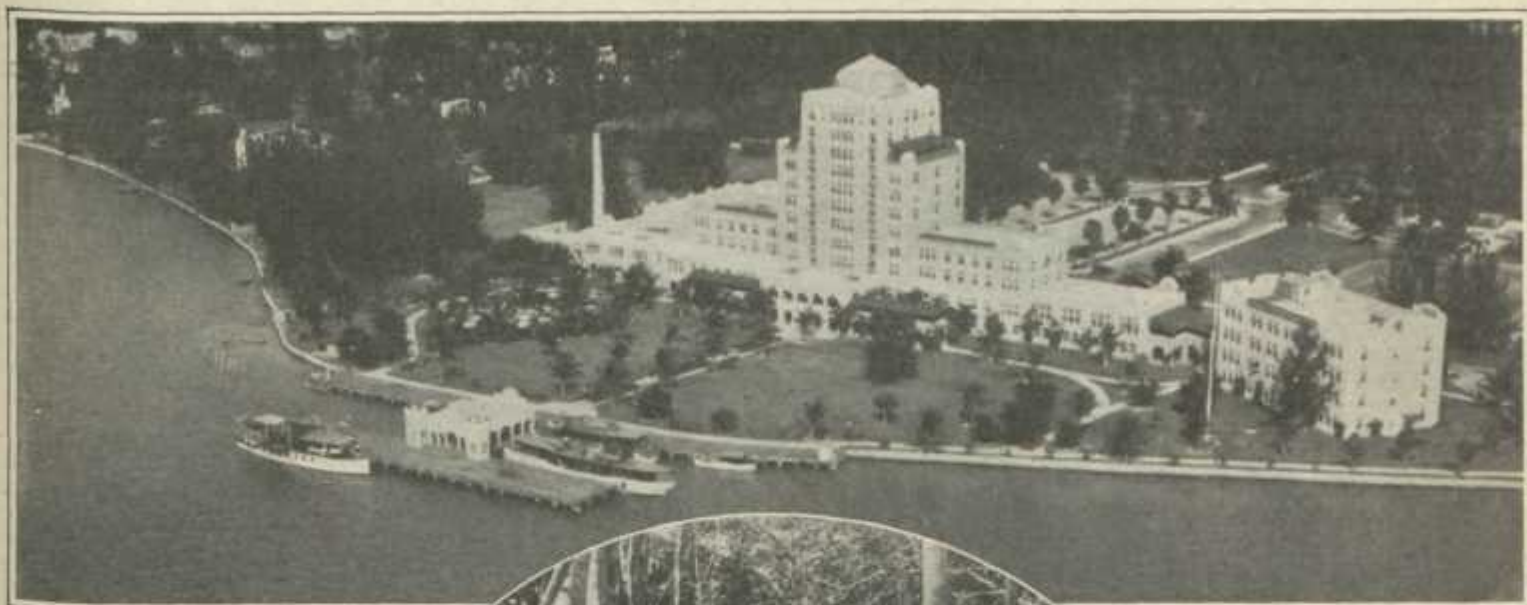
The water needed will be secured with a minimum of pumping by placing the machinery at or below the water line. There will be no industrial waste-water problem, no question of fumes or air contamination, and presumably the operating force will always be at hand when the whistle blows.

By treating a cubic mile of water per year, the world's need of bromine will be kept at equilibrium, even allowing for a proper expansion in the anti-knock compound business.

Thus once more science has stepped in to help avoid a raw material shortage and has demonstrated how when we discover ways for making available values occurring in traces, we can draw on great reserves of natural resources.

# "Simply Staggering!" Says Florida

By WILLIS B. POWELL



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**S**HORTLY before this issue of NATION'S BUSINESS went to press, the author, who is secretary of a chamber of commerce, sent a letter from which the following is an extract:

"Since I wrote that story this town of 3,500 people (a year ago) started a 12-story hotel and a 12-story office building, and announced a \$35,000,000 development a few miles south of town, besides a hospital, a Ringling recreation hall for the Presbyterian church, the moving of the fair-grounds plant three miles and the taking of forty acres of the present plant for a park and the selling of ten acres for \$400,000 to Chas. Ringling, and so on and so on. 'It is simply staggering!'"

**T**HE UNITED STATES paid Spain \$5,000,000 for Florida, February 22, 1821—62 cents an acre. The King of Spain, Floridians say, spends much of his time now wishing he had held on a little longer.

Florida is playing the stellar rôle on the nation's stage to standing-room only, with 50,000 dredges and sand-suckers throwing up sea walls along its 1,800 miles of coast line to keep people from being pushed into the Atlantic Ocean or the Gulf of Mexico. Its audience is not altogether the tourists, tourettes and tourens of other years.

Down in the gilded orchestra and in the boxes is a demonstrative, insistent claque demanding quicker action in converting sand dunes and barren wastes and cut-over lands into a modernized Monte Carlo, the French Riviera, Ostend and Biarritz, a Venice and a compote of the Occident and the Orient.

Florida's ascendancy to world notice found its people unprepared, possibly with one exception—William Jennings Bryan. Being a trained politician, he was prepared for any emergency, any exigency, any opportunity.



Miami beach 15 years ago and as it is today. A million dollars is the unit of value when speaking of hotels in Florida. Communities of 3,000 to 5,000 persons think nothing of announcing a \$1,000,000 day in realty sales. Newspapers are crowded with real estate "ads"

Gold rush or boom, progress or prosperity, Florida is hastening. Mills are working overtime on subdivision stakes and kindergartners toy with transits and theodolites. It is said that \$445,000,000 northern money gladdened the hearts of its populace in 1924, and one billion will be surmounted in 1925—perhaps two billion. They talk in World War figures.

On March 5, 1925, George E. Merrick, who in two years metamorphosed a vast area of saw-grass land lying near Miami into the beautiful, pulsating, dynamic Coral Gables, announced another \$100,000,000 development. Coral Gables is where William J. Bryan lectures daily. He doesn't talk real estate; he simply chautauquizes on Florida—a sort of sermon on the wonders of the land that draws the crowds to Coral Gables. After listening to the "Peerless Prince of Platform English" the audience is given the privilege of remaining for the balance of the lecture or purchasing a lot.

The Miami Sunday newspapers are of a hundred or more pages each, with masses of real estate advertisements. In January one

of the papers had 200 pages. One full page was given over to a striking announcement. Here it is:

## PROGRESS!

As exemplified by the High Record Sales of the Coral Gables Properties for the year of 1924, \$13,705,897.59.

January Sales...	\$1,156,141.35
February Sales...	2,012,789.17
March Sales...	1,515,462.75
April Sales...	866,470.50
May Sales...	1,001,137.50
June Sales...	774,919.25
July Sales...	667,888.50
August Sales...	1,498,030.00
September Sales...	1,121,015.00
October Sales...	671,845.57
November Sales...	729,302.00
December Sales...	1,690,896.00

There isn't a day that passes without the state-wide papers announcing the erection of hotels costing from

one to ten million dollars. A million is the unit of value. These palatial hostleries have three speeds forward, for they have to make a 365 days' run in 100 days' time. It is nothing for a small community of 3,000 to 5,000 people to announce a \$1,000,000 day in realty sales. Communities of 5,000 inhabitants have 300 to 400 real estate brokers and salesmen. William E. Herrin, of the National Association of Real Estate Boards, says that one state contiguous to Florida has lost 6,500 of its realtors to Florida; but that alone does not explain why so many new and expensive hotels are necessary.

It is in the air. One comes to Florida biased with a determination to make an honest survey of the situation and go back home and tell of the money trappers lurking on the path of visiting capital. But those who come to scoff absorb a thick slice of Florida realty within a day and wire home for the balance of the old family bank deposit.

As I am a Floridian of twenty-one years' standing (no one has time to sit, here), the

reader may safely surmise that I am slightly loyal to the state. Some may even doubt my judgment, so I shall append a few chunks of classic thought emanating from great men in great journals—testimonials, we used to call them:

C. W. Barron, editor of *Wall Street Journal* and the *Boston News Bureau*, prints boldly:

If the land booms in Florida are maintained a few years and the federal officers are efficient, the Coolidge-Mellon program for the reduction of supertaxes for the whole country may be realized—provided Florida land profits are properly divided with Uncle Sam. . . . People from the North come here cautiously; but when they once determine that it is an all-the-year-round state with an all-the-year-round pleasurable climate, the money and enterprise pour in.

Judge Kenesaw M. Landis, King of the Swats:

There is only one way to stop this tremendous development of Florida, and that is to station a line of militiamen across the northern border of the state with orders to shoot everybody that tries to enter.

*Brooklyn Eagle*:

Conditions of feverish excitement approaching in their intensity the hysteria which attended California and Alaska gold rushes are being duplicated in Florida today in what is the most phenomenal boom in the history of the United States.

### Not a "Boom"

I COULD go on and tell what Brisbane, Forbes, Babson, Sewell Ford, George Ade and Bugs Baer say about the boom, only you dare not call it a "boom" down there. If you ask them when the bottom will drop out they reply, "When the bottom drops out of the Gulf of Mexico or the Atlantic Ocean." It's as sound as a coral reef.

C. Bascom Slemph—he is one of us—says that people are coming to Florida for its sunshine, and he might add moonshine. We admit in subtle measures that the sun shines in Florida in winter, but right now we are proving that the summer sun isn't as bright as it is painted, and go to the Weather Bureau to sustain the fact that in forty years the maximum temperature was 98½° F.

Florida sticks out like a sore thumb between two great bodies of water; it is fanned by the warming winds of the Gulf Stream in winter and the cooling draughts of the same beneficent ocean current in summer. Don't smile at this assertion;

everyone down here will tell you the same thing without the slightest reluctance.

But there is a real, tangible reason for this "gold rush" to Florida. During the World War, Florida, outside of lumber, turpentine and a few wooden ships, profited little in the scheme of things. It had no great industrial cities furnishing munitions of war. When the war was over and the transformed munitions

plants speeded up production of corset covers, typewriters and automobile parts, Florida folks sat tight.

Then came the cold, gray dawn in the munitions districts, and as Florida had not sat in the game, it had nothing to lose. The state began to appear in the economic graphs largely white, and the legend alongside the graph stated that "white" denoted business was good. And this sign has hung from the front entrance to the state ever since. This attracted the attention of capital to the state. The Seaboard Air Line Railroad even went so far as to start the first piece of road building since 1914, crossing the state. The road went right through the Everglades to Palm Beach. It is stated that some folks along the line won't board the train without a gang plank thrown out.

### Railroad Rumors

AT THIS writing there are rumors that John Skelton Williams and William Gibbs McAdoo will hook up a number of minor roads and be on the West coast with another road by fall. It is said—it's a great place for saying things—that the Illinois Central is buying land along a tentative right of way through the state to the West coast. The Atlantic Coast Line has applied to the Interstate Commerce Commission for a permit to extend its line from Sarasota to Fort Ogden, and a rumor survey brings it to Miami. President Warfield, of the Seaboard, gave out a statement early in March concerning the extension of the Seaboard north of Brooksville to tie up with the main line.

Another factor in the Florida excitement is the action of the people at the last general election forbidding any state inheritance tax. It also made a bid for all the money in the United States by telling the billionaires that there would be no state income tax for twenty-five years.

After all is said and done, Florida wouldn't be in the limelight had it not been for the press. Right now the folks want to know about Florida. The country's best writers have combed the state for material; scores of news-reel feature men are shooting scenes; the comic artists are turning out rods of strip pictures about Florida. Nine major league teams are cavorting about the state in spring training camps, and each unit has a battery of newspaper correspondents and photographers who record and register every move of the players. Even the circus parade works for Florida. John and



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John and Charles Ringling, too, have taken quarters in Florida. They are enthusiastic about it. Last season they advertised the state everywhere the big

circus went, and here it looks as though they have put a pair of Jumbos at practical development labor



Charles Ringling, of Wisconsin, live in Sarasota. Last season, from the time their Ringling Brothers and Barnum and Bailey's Combined Shows opened at Madison Square Garden until it closed the season at Richmond, Va., they advertised Florida with billboard lithographs, with trappings on elephants, giraffes and on the "lot," and before 3,500,000 patrons of the big tent. What has Florida to do with a circus? No matter.

Roger Babson selected Polk County and founded a city named Babson Park. Barron G. Collier, not content with founding a subdivision or a town or city, founded an entire county named after himself, the king of street-car advertising. Edward W. Bok, of Philadelphia, acquired a principality in the knolls of Polk County to establish a Flamingo Jungle, or bird colony. J. W. Young, of Hollywood-by-the-Sea on the East Coast, announced that he would build a great harbor there at an expense of \$5,000,000 or \$25,000,000—something like that—and General Goethals will superintend this work.

Henry Ford and H. S. Firestone bought some thousands of acres and will prove that America can grow its own rubber. W. J. Conners, of Buffalo, built a cement highway some 60 miles long from West Palm Beach to Okeechobee City. Some of the land abutting was once purchased from the state for 25 cents an acre; now it is \$100 a front foot easily. "Dad" Gandy came from Philadelphia and built a theater a century ahead of the city, in St. Petersburg. He has just finished a 6-mile concrete toll bridge across Tampa Bay, connecting Tampa and St. Petersburg. One day's toll receipts, \$10,000, and foot passengers not allowed. A few years ago D. P. Davis was a clerk in Drawdy's grocery store in Tampa. A month ago he sold nearly \$3,000,000 of lots on Davis Island—it's his own—between daylight and sundown; and his development project should net him about as much in 1925 as the Presidents of the United States have drawn in salaries since George Washington.

#### Inspection by Motor Bus

THAT section of the East Coast known as Miami is highly organized in getting investors to sign on the dotted line. Some land companies have as many as 500 men on their pay roll with offices scattered all over the state. Their regally equipped motor busses carry prospects free of charge, and advertising goes in page and double-page spreads in every daily newspaper in the state. Prospects are collected into company hotels, and a guard of company salesmen thrown around them. One company operates motor busses from Chicago to Hollywood, asking a \$50 deposit before passengers are assigned a seat in the bus, and the \$50 is returned under two conditions—first, that he buys property; second, that in the event he doesn't buy he will return to

## Daily at America's Most Beautiful Swimming Pool--Venetian Casino



### in CORAL GABLES

The Great Commoner

## WILLIAM JENNINGS BRYAN

conducts his open forum to the public in which he addresses business crowds upon the wealth of Florida, Miami and Coral Gables.

You are invited to be the guest of Coral Gables at this daily lecture, held every day except Sunday at 12 o'clock.

## Crowds Daily Throng the Grand Stand and Boxes to Hear this Great Statesman

"Coral Gables is where William Jennings Bryan lectures daily. He

doesn't talk real estate; he simply chautauquizes on Florida. . . ."

Chicago at the operating company's expense.

Some tourists have already figured out how to see the state at the expense of development companies, and these joy riders spend the season traveling a thousand miles with meals and rooms free of charge. They start in at Jacksonville and go to Daytona, Miami, back across state to Tampa and St. Petersburg and thence to Orlando and to Palatka, to Jacksonville. Occasionally they miss out on a schedule and have to pay their own way for a few days.

In Miami, as elsewhere in the state, the men of great wealth, real investors and builders, are not influenced by free entertainment or auction sales, barbecues or other claptrap methods. Florida is avoiding the penny-ante game. Stories of long profits and big developments? Books full of them.

In 1902 in Miami \$62,500 bought five lots on Flagler Street frontage. Today this property is held at \$1,400,000. Yes, I said, "held at." The Metropolitan building site, 100x150 feet, sold in 1917 for \$25,000, has a value of \$350,000. Where the ten-story McAllister Hotel stands, the value has increased since 1897 from \$1,200 to a round million dollars.

Point View, Miami, a few years ago was a marsh of 23 acres. L. T. Highleyman bought this lowland and by dredging the sea-wall added 5 acres. Of course, it was long known as Highleyman's Folly. Today the entire tract is the show place of Miami—the home of its wealthy, and the beginning of Millionaire's Row. The Hippodrome building has just been sold by S. J. Thorp, John C. Knight and T. B. Knight to Roy C. Wright and Hugh M. Anderson for \$1,250,000. Twenty years

ago the site was sold for \$2,000.

At Miami Beach, developed by Carl Fischer, of Prest-O-Lite fame, assisted by Mr. Collins, property has jumped from \$800 to \$150,000 a lot. Water front readily brings \$1,500 a front foot.

Last June Sarasota had approximately 3,500 people. In December a school census was taken—estimated population, 10,000. During August, September and October of last year realty sales ran a million dollars a day, and on one day \$2,500,000. That's a lot of real estate in a town of 10,000. An eight-story hotel and a nine-story office building were erected, and the \$3,000,000 Sarasota Bay Hotel and the \$1,000,000 Ringling Terrace Hotel are proposed for this summer.

The prize hard-luck story centers about J. L. Tallevast, a naval stores and timber operator and hotel man at Tampa. Twenty years ago in making turpentine and timber leases he declined a deed to 528 acres 4 miles south of Sarasota, which the owner offered him in lieu of the lease. A dispute followed; neither wanted the land, the owner content with \$1.25 an acre rental, and Tallevast declining to assume the property and pay the taxes. The deed was left to rot on the ground, and in

course of time the property reverted to the state for delinquent taxes and was bought in by J. H. Lord. Mr. Lord refused \$1,056,000 for the property last winter. What was the odd \$56,000 for? I don't know.

Early in March John Skelton Williams, recently comptroller of currency, was dining with William G. McAdoo at the Belle Haven Inn, and remarked that he sold that hotel property once for \$36,000, and asked the market value. He was told that Elmer Whittle refused \$500,000, of which \$250,000 was to have been in cash. Ray Weed, a traveling man from Newburg, N. Y., cleared \$24,000 in six weeks on a \$6,000 investment, and on his return trip six weeks later found the buyer had taken another \$16,000 profit.

#### Fabulous Profits Overnight

A. C. LIVINGSTON, a cloak and suit manufacturer from Cincinnati, took \$138,000 profit on Victory Avenue property which he purchased but two years previous for \$18,000. I. R. Burns returned from Honolulu to Sarasota last fall to learn that property sold when he left for \$30,000 had been sold for \$150,000 and was now held at \$300,000. S. M. Earling, of Chicago, purchased a parcel of close-in land for \$250,000 in the morning of one day and sold it for \$350,000 that evening. Frank Walpole used to run a one-cylinder newspaper shop. On October 2, 1924, he netted \$100,000 on his day's sales that totaled \$229,000.

George Downey, of Chicago, is quoted by a reporter for *Economist* (Chicago) as saying that he made a profit of \$350,000 in three months this spring. And so on.

Jumping back to the East Coast, we find

that all the towns between Miami and West Palm Beach are practically overlapping each other, with any sort of ocean or bay front fetching up to \$8,000 an acre.

Palm Beach is not excited over the realty boom. The town is colorful and contented. But West Palm Beach, just across from Lake Worth, is moving along with giant strides. Business property has touched \$2,500 a front foot, and residential property accordingly. Samuel Untermyer paid \$75,000 eight years ago for 600-foot frontage running back to Lake Worth. He sold it this winter for \$800,000.

Fort Pierce! There's a place. Ten years ago a certain corner lot was taken in exchange for a \$250 bar bill, a sizable amount for drinks in 1915. It sold two years ago for \$42,000, and today there is an 8-story hotel to

grace the corner, with the ground appraised at \$80,000. Three years ago a plot 150x150 feet sold for \$15,000, and today the owner declines \$125,000.

Daytona, for years in the public eye, famed for its wide, smooth ocean beach where all automobile speed records have been shattered, is shattering values these days.

Harking back to the Gulf Coast, there lies St. Petersburg. Where now stands the Pheil building, with a million-dollar value, was a good two-story frame store building priced at \$5,000. In that time St. Petersburg has grown from 3,000 to over 50,000, with 100,000 winter visitors in the city and environs.

Inland Florida, a Florida rich in natural resources, in groves and farms, with its thousands of clear-water lakes, is a story itself.

St. Augustine, the oldest town in America,

with the oldest house, is becoming modernized. Tall buildings shadow the quaint 'dobe houses of the early eighties; subdivisions spread out over Spanish-treked hallowed ground; and the many Fountains of Youth have been superseded by service stations.

One should travel and absorb. As a challenge and an invitation Florida invites the world to know Florida as it is—an empire rediscovered, the playground of the nation, the garden of America, the country of the great outdoors, where the sea and the sky are in their merriest mood and it's June-time all the time.

Last month, in writing about the north-west corner of the United States, we wondered what was happening in Florida. Now we wonder what's doing in Los Angeles.—THE EDITOR.

## Why We Have Faith in Aircraft

By EDSSEL B. FORD

President, Ford Motor Company



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Folks ask two questions about the Fords: What kind of a car does Henry Ford ride in? What sort of a man is Edsel Ford? Here's the latter's picture in golf jacket. Shrewd and kindly? He looks so. Not just a son of Henry Ford? Will he do for the air what his father did for the highway?

machine, while the other company is interested in the all-metal dirigible, a lighter-than-air machine.

It is my opinion that both types have their distinctive places, like passenger automobiles and motor trucks. The airplane will be used for speed or any form of fast express work, while the dirigible will be used for carrying heavy loads. It is probable that dirigibles will traverse the longer main routes of air travel, while the planes act as feeders on the branch lines. The heavier-than-air machines will probably not be used for regular transcontinental or transoceanic journeys.

We have progressed far enough with the cabin type (or, if you prefer, the sedan type) of all-metal airplane to be fairly well convinced that increased production would result in a decreased cost that would put the plane within the means of a wide circle of users. At Dearborn we have established an

airport and will presently have a mooring mast for dirigibles.

The Ford Motor Company is commencing immediately its own aerial transportation line between Detroit and Chicago, for the experience it will give as well as the service it will render. We believe it is best wherever possible to link experiment with useful service. In actually doing the thing that is sought to be done commercially, a valuable type of experience is gained which is excluded by merely experimental or occasional flying.

From what I have said it may be gathered that we have faith in the all-metal type of aircraft. It has greater strength and durability, and the thick wing type is without wires and struts; it offers less wind resistance; besides one does not need a hangar with a metal plane as you do for one with fabric wings. The monoplane which the Stout Metal Airplane Company has built at Dearborn will carry a pay-load of between 1,500 and 2,000 pounds at 100 miles an hour.

There is no doubt in my mind that we have already entered the flying era and that we are on the verge of greatly increased aircraft production. The use of aircraft in national defense and commerce long ago lifted it out of the "sport" class. But it would be hazardous to prophesy what the future will see.

It would be hazardous to say that anything is impossible in the line of future aircraft development. Already voices are heard which say that aircraft will never be able to do this or that; but one is never quite sure that prophets of the impossible have sufficient basis for their declarations.

### Investigation a Benefit

THE RECENT aircraft investigation at Washington by a committee of Congress will eventually prove to have been of great value to aviation in this country. This committee has become enlightened upon the whole subject of aircraft, and will no doubt in the near future be responsible for a constructive aviation bill which will define the Government's policy on aviation.

Amongst the commonest experiences of the not distant future will be the daily use of airplanes for personal purposes in many parts of the country, the preparation of landing fields everywhere, and an acceptance and use of aircraft as widespread, comparatively, as the radio. It is truly the Age of the Air.

IN RESPONSE to a request from NATION'S BUSINESS for a statement on aircraft development in the United States, about the best word I find to say is that such development is going forward rapidly. Interest is keen, good material for flying men is plentiful, business men are showing a willingness to provide the means by which engineers can pursue their experiments, and an increasing tendency to use aircraft for business and pleasure is exhibited by the general public.

With it all there is considerable enthusiasm which may sometimes appear to be of the drummed-up variety, but with that the serious worker in aerial navigation is not much concerned, either to increase it or rely very strongly upon it.

A brief backward glance over the recent history of aircraft will make it clear that its progress is unparalleled by anything that can be compared with it. The problem of aerial navigation is now a matter of educating the general public to its uses and possibilities.

Since the automobile motorized the world and turned every other man into a mechanic, there will probably be no need for the airplane to pass through a stage similar to the spectacular racing stage which was necessary to keep the early automobiles in the public eye. That preliminary work has been done for all forms of motor transportation, and aircraft will naturally benefit by it.

### May Build Motors at Least

THE INTEREST which my father, Mr. Henry Ford, and myself have in the development of aircraft arises quite naturally and logically out of our interest in all forms of motor transportation. While the Ford Motor Company has not yet built any airplanes, we have lent assistance to those who do, and it is conceivable that some day we shall be engaged in the quantity production, if not of air sedans and air transports, at least of their motors. The fundamental of all commercial transportation is speed, and the field in which greater speed can be obtained is the air. The center of speed and security in an airplane is the power-plant, and the motor industry, of course, is legitimately concerned with that.

We, with others, are interested at present in the work of the Stout Metal Airplane Company and the Aircraft Development Company. The first-named company is producing an all-metal monoplane, that is, a heavier-than-air

# Researching the Researcher

By HARRY R. WELLMAN

Professor of Marketing, Amos Tuck School, Dartmouth College



H. R. Wellman

EVERY time I see a serious-looking man heading in my direction I feel sure he's a researcher of some kind. Unless I step pretty lively, he'll hook his finger in my lapel and say, solemnly, "Harry, what do you suppose I found in the mountains of Kentucky?"

"Moonshine or mountaineers," I answer. "No," he says, peeved, "but I found out about their feet. Do you realize that three out of ten have flat feet, three have chilblains and one has hammer toes? Think, just think what this means to the shoe manufacturer!"

That's the trouble with those researchers. Somewhere the sun may be shining. Somewhere a little bird is singing—but all they see is feet, and most of them fail to realize that of the ten pairs of feet researched, only one pair ever "toted" a pocketbook!

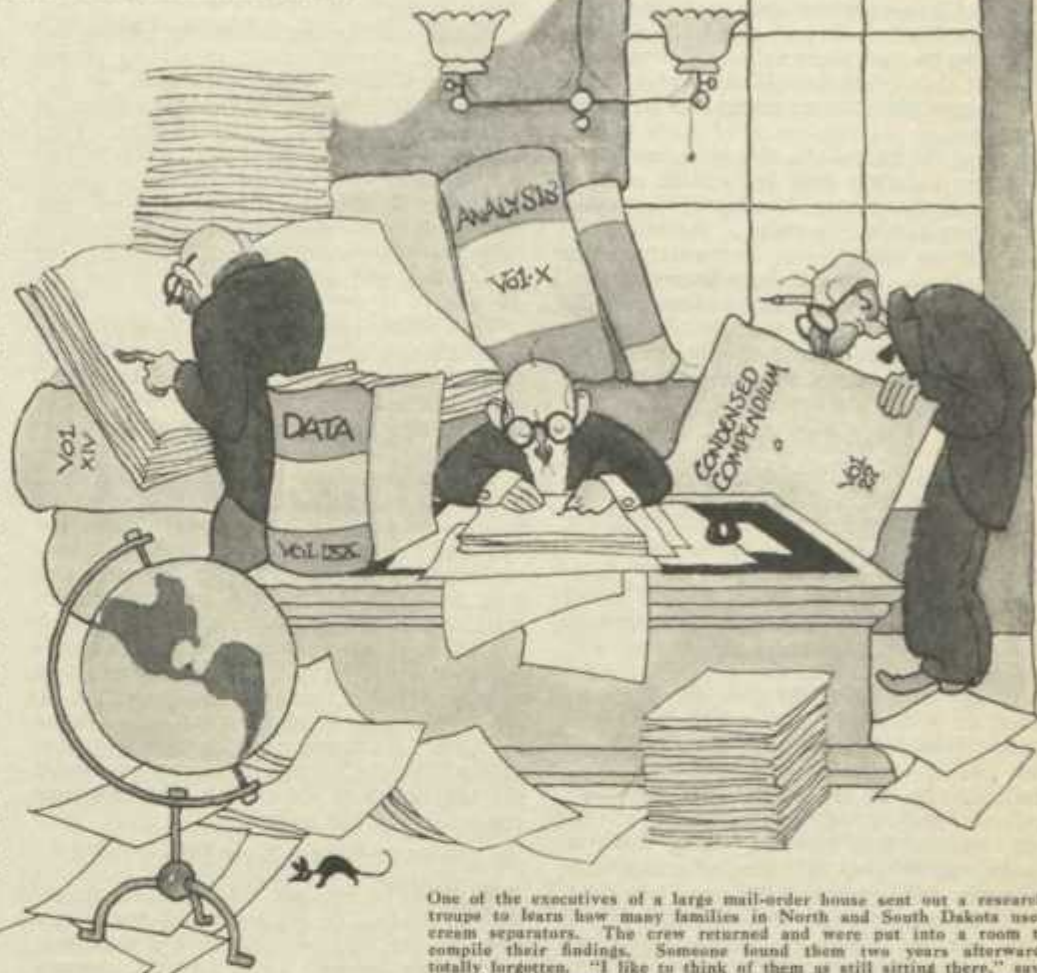
## In the Dark Ages, 1911

YET THERE was a time when research was unknown. Away back in the dark ages of 1911 or thereabouts, one St. Elmo Lewis said truthfully that before long we'd have to know our markets and the buying habits of our markets if we intended to continue to distribute at a profit.

This general idea was more or less co-incidental with the introduction of the Taylor theories and ideas regarding scientific management. They went together nicely. Find out about your production, find out about your sales, schedule both, and make money. This was good, sound theory and fact then. It's good, sound theory and fact today.

A serious start was made to study the product, the market and the sales channels, and, after analyzing the facts gathered, to use them in what might be called scientific sales planning.

Many concerns established what they called research departments. The Curtis Publishing Company issued a report to advertisers or prospective advertisers showing what could be done. Other concerns



One of the executives of a large mail-order house sent out a research troupe to learn how many families in North and South Dakota used cream separators. The crew returned and were put into a room to compile their findings. Someone found them two years afterward, totally forgotten. "I like to think of them as still sitting there," says Mr. Wellman, "with their beards growing down through their desks—theirs not to reason why. Theirs but to write and die."

made a few gestures, the trade papers took up the idea, and a few retailers went ahead and really researched. The idea was well under way when the war started, but with the coming of the war the work was allowed to languish, since it was not necessary. There weren't goods enough anyway.

But with the sales debacle of 1920 the idea came back with bells on. Everyone researched—at least, they said that's what they were doing. Questionnaires fell on the just and unjust like snowflakes. Information was collected by the shovelful, by the cartful and by train loads.

This information was dumped upon any possible space buyer, was available to any sales manager or boss. With it came a flock of "how" books. How to manage, advertise, sell, collect, audit, account, arrange a store, figure turnover, check up advertising and what not.

For the last four or five years it's been almost impossible not to know how to do everything—wrong! America does nothing by halves. If research was the

thing, let's have it. If "how" books were needed, let's publish 'em. And so the idea was taken up by the tinker, the tailor and the candle-stick maker; by the butcher, the baker, the publisher and merchant; by the doctor, the lawyer—while the beggarman and thief were researched by the long-haired doers of good. If they couldn't afford to research themselves, charity would do it for them. But they must be researched else the picture would be incomplete!

## "Oh, My Brethren!"

AND WHAT a research there's been, oh, my Brethren! Before discounting the groups of researchers that I have outlined above merely by way of frivolous illustration, let's check up for a minute. Retail stores now have research departments. National manufacturers have 'em, and in addition they have their advertising agency research, too. Then, the agency buys space of a publication which is spending much money researching and which uses the facts to get the business of the agency which had the facts—for the business man—who also had the facts! The houses that Jack has built with research figures would extend two deep along both sides of McCall Street!

And now let's check up the tinker, the tailor and others. Surely you have met up with trade associations. These groups have zealous, earnest, horn-bow-spectacled men who eat and drink statistics. They can tell



Charles  
Dunn

you anything about their particular product from the way it is made to how many of their workmen have blue eyes! More than that, they will tell you if you don't hide out on 'em.

Tons of paper regarding research are offered before that great god Report, which are about as effective as the paper prayers burned by the Chinese before their particular gods of trade, love, luck and religion! Granted the desire to read these voluminous reports—which I doubt—who could read 'em? Who would have time for anything else if he did read 'em?

One of the executives of a large mail-order house, in the days gone by, wanted to learn how many families in North and South Dakota used cream separators. So the mail-order house started out a research troupe consisting of a chief and six or seven men. It made a Research Survey. Meantime, the executive got sick or went to Florida, or something of that nature, and the crew came back. They were put into an office to compile their report and make their findings.

### Totally Forgotten

SOMEONE found them two years afterward, totally forgotten. They had made report after report which had been carefully filed and never used; I suppose if times hadn't become hard, they would be there still. Some way, I like to think of them as still sitting there, with their beards growing down through their desks! Theirs not to reason why. Theirs but to write and die!

At any rate, they did the job they were asked to do, a job that would have been useful if used. Right now, there's a whole new line of researchers who add their bit to the collection of useless statistics and facts, and, incidentally, of course, as do all the rest, add to the cost of doing business. Banks, publishers, individuals, associations, chambers of commerce, bureaus, boards of trade, schools, colleges, business schools and what not are busily collecting information and misinformation which they sell, give away or swap. And in the meantime the Departments of Commerce, Agriculture and others, keep up the steady work of collecting and making available basic facts for all business.

Where will it end? Why doesn't it end? Granting that we as a nation always ride a new idea to death, aren't we in at the death now? I know of one trade association paying a secretary three salaries—for there are

three branches of the trade—and spending huge sums yearly, maintaining three separate research bureaus. One manufacturer told me that he had now spent over \$300,000 in his research department, and was taking three outside services to check it up. A great electrical manufacturer collects "research figures" and makes surveys in seven different departments.

In still another institution the officers and the board were interested in getting certain information about trade conditions, or territorial conditions, or territorial customs, in regard to some article of merchandise. They started out with the usual field group to find out all about it. One of the junior executives, digging through the files, found that the specific information had been gathered three or four years before, submitted, not acted upon, and promptly buried in the record room!

The junior executive then suggested the establishment of the rule providing that no research of any kind should be made until there had been a thorough research of the research department to find out if the information was not already at hand. Secondly, he suggested that all researches of any kind, instead of going to a department file, be put into a library and that nobody would be sent out until the material in the library had been thoroughly checked up. This did not meet with any approval on the part of the researchers.

I know of several publishing houses spending thousands yearly for this purpose, who naively complain that publishing costs are increasing in spite of all they can do! I know of three advertising agencies spending over \$100,000 yearly for manufacturers who could get the necessary information for less than one-quarter of this amount.

### It Was a New Idea

HOW have we got into this condition? Well, first of all, because it was a new idea and, like "service," "advertising consciousness," "psychology" and "scientific management," we played it for all it was worth. That reason was not the controlling reason, however. The fact of the matter was and is, unfortunately, that there is no central, dependable bureau where all these wanted facts could or can be obtained. Each group distrusts the other fellow's statistics and so collects its own.

In addition, those who did no collecting saw an opportunity and so sold other people's statistics to a waiting market. Without exaggeration I can truthfully say that while I was a buyer of advertising, I

had one publisher's set of figures regarding Atlanta and the south offered to me in slightly "doctored" form by three other sellers of space. Even today there are "facts" being offered by charlatans that have not been changed materially since their collection before the war!

Obviously, such practices, such duplication of effort and such piling up of costs of distribution must stop. They must stop because, first of all, honest research and intelligent analysis are absolutely essential in our business world of today. Fortunately today even, there are thoroughly dependable bureaus, individuals and associations that do collect facts and facts only. But because they have pointed the way—set the business style, if you like—there are many others trading on the reputation these agencies have established.

As a result, the public, the retailer, the wholesaler, the manufacturer and the various groups are getting sick and tired of furnishing facts to irresponsible people and unnecessary facts to bureaus, departments and associations who do not use the facts so furnished.

### Those Questionnaires

WITH production possibilities for a hundred and fifty million folks and only a hundred and ten million to buy the merchandise, it becomes imperative that business have real facts and figures regarding its profitable market, who the buyers are, where they live, how many of them there are and what their buying habits are. Obviously, these desired facts will vary with different businesses, but there are certain great common denominators, if you like, of which common use can be made by several businesses. An electrical trade survey of homes will determine facts useful to every person selling homes. The same is true of any real retail or wholesale trade research.

The housewife, getting her first questionnaire, is flattered; with her third or fourth she is slightly bored; with her tenth she becomes anti-questionnaire, 100 per cent.

The retailer, answering the first researcher, is pleasant and chatty; with the fifth he is unpleasant and catty; and the tenth he assists to the street without any pronounced tenderness!

The manufacturer, filling out his first questionnaire, is glad that "those fellows in Washington have finally realized" his importance. With his fifth he develops writer's cramp and



"Each group distrusts the other fellow's statistics and so compiles its own. Tons of paper regarding research are offered before that great god Report. Granted the desire to read these voluminous reports—which I doubt—who could read 'em? Who would have time for anything else if he did read 'em?"

with his tenth he initiates an abiding conviction that "those d— fools don't know what they want anyhow!"

And all the rest of us echo his sentiments. Real statistics on wealth, population, purchasing power, per capita consumption, and figures regarding the various distributors, are very much worth while. But we go further, much further.

I am thinking of a friend of mine who has the "left hand" complex. "Old man," he said, "do you realize how little we know about left-handed people?"

"No," I said; "why should I?"

"Why should you?" he almost shouted. "Who ever heard of a left-handed brush for anything! Look at the market literally flooded with right-handed tooth brushes—and then look at the left-handed dwellers in the Tennessee Mountains!"

"Yes," I interrupt, "but they use snuff sticks; they haven't any teeth!"

But does that daunt him? Not a daunt!

His eyes gleam as he sees left-handed tooth brushes, safety razors, bread knives and pickle forks being manufactured and sold to a waiting left-handed market!

When we go to the public and explain distribution costs to them, how shall we explain this double, triple and sometimes quadruple cost of collecting real facts and this senseless expenditure for collecting left-handed facts?

A striking example was furnished of just what we may expect when, in a recent labor arbitration case, labor presented straight, economic, undebatable facts, winning from a group of manufacturers who were provided largely with fancies! The public will scrutinize these facts and their cost of collection more closely than the better understood costs of distribution that we may furnish.

The answer is fairly obvious. It is time for business to put away childish things and to attack the whole problem of research from the scientific point of view. Whether one

bureau or another is used is not important. It is all important that one central bureau or clearing house be used and that it have the entire confidence of business.

It might be a national clearing house of facts relating to distribution, these facts to be furnished by trade associations, chambers of commerce, government bureaus and others.

Given the active support and confidence of business, a central bureau will establish special forms of data, useful to many—rather than to individual—businesses. It will reduce the present costs to manufacturers, associations, chambers of commerce, schools and other groups. In the end, such a bureau will generously assist in reducing our present costs of distributing because we will then be distributing to a known, chartable market and thus be enabled to eliminate many of the wastes now occurring because of the lack of proper market information.

Sane research is an absolute necessity if we are to have sane, progressive business.

## Business at Its Annual Gathering

**C**URRENT economic problems which at present are receiving attention from both Government and business will come before the thirteenth annual meeting of the United States Chamber of Commerce, to be held in Washington May 20 to 22.

The questions for discussion are international as well as domestic. One subject which the Chamber holds as of more than usual importance is that of commercial treaties. The Turkish Treaty is still unratified by the Senate, and the country is on the eve of a complete revision of its commercial treaties with other nations. The Chamber feels that a national policy should be adopted looking toward a proper development of exports and that business interests affected by new treaties should be consulted in their framing.

Treaties will be discussed by John H. Fahey, of Boston, chairman of the Chamber's Foreign Affairs Committee, who will bring in a report from his committee, and by John N. Willys, of the Willys-Overland Company.

### European Situation

**T**HE EUROPEAN situation and the future of the Dawes Plan will be presented by a leading figure from Europe, as yet unnamed. Competition in foreign trade is another international subject on the program.

One of the domestic subjects of considerable interest at this time is the agricultural situation, to be discussed by Secretary of Agriculture Jardine, and to be taken up also in a group session. Another is the American Merchant Marine, and a third is given as "Congress and American Business." This subject will be presented by Samuel E. Winslow, who has just retired as a Member of Congress from Massachusetts.

A feature of the meeting will be the formal dedication of the Chamber's new headquarters building. The dedication ceremonies will be conducted by the Right Reverend Thomas F. Gailor, D.D., Bishop of Tennessee and president of the National Council of the Protestant Episcopal Church. Bishop Gailor formerly was a vice-president of the Chamber for the Southern Central Division.

The American Section of the International Chamber will give a dinner at the time of the National Chamber's meeting, which will be presided over by A. C. Bedford, chairman of the Board of the Standard Oil Company of

New Jersey, who is chairman of the American Committee of the International Chamber.

Much of the discussion at the annual meeting of the Chamber will take place in group sessions. These groups, eight in number, are organized to represent the main divisions of American business enterprise. They are: natural resources production, finance, insurance, manufacture, distribution, foreign commerce, transportation and communication, and civic development.

The natural resources group, which deals with primary production, will give attention to agriculture, forestry and the coal situation. Under agriculture the discussion will center around cooperative organizations. Wage agreements will be taken up under coal, and the cut-over land problem will form the subject of discussion under forestry.

Speakers and subjects are:

Judge Robert W. Bingham, *Courier-Journal*, Louisville, Ky.—"Agricultural Selling Cooperatives."

T. M. Dodson, vice-president of the Pittsburgh Coal Company, Pittsburgh, Pa.—"The Coal Situation."

W. I. Myers, Professor of Farm Finance and Farm Management, Cornell University—"Corporation Farming."

F. H. Farwell, vice-president, The Litcher and Moore Lumber Company, Orange, Tex.—"The Cut-Over Forest Land Problem."

The finance group will have before it the question of the Federal Reserve System.

The insurance topics will all come under the general heading "Conservation." The theme of the meeting will be the responsibilities of policy-holders. H. A. Smith, president of the National Fire Insurance Company and chairman of the Insurance Advisory Committee, will deliver one address. The other speakers have not been announced.

The domestic distribution group, dealing with merchandising problems, will give attention to subjects now being studied by the National Distribution Conference, which is operating under the auspices of the National Chamber and the Department of Commerce. This meeting will take up the subject of the elimination of waste as a means of reducing distribution costs.

The foreign commerce group, presided over by Willis H. Booth, president of the International Chamber of Commerce, will under-

take a survey of competition in foreign markets. Speakers will discuss competition in the following great trade areas: Europe and the Near East, Asia and Latin America. The speakers will open the way for discussion of competition in the export sale of particular commodities and for consideration of the methods and measure of success attained by our foreign competitors.

The manufacturing group will go into the subject of employee relations, these topics being presented: "Incentives for Individual Production," W. C. Dickerman, vice-president in charge of operations, American Car & Foundry Company, New York, N. Y.; and "Employee Training," L. A. Hartley, director of education, American Founders Association, Chicago, Ill.

### Transportation Problems

**T**HE TRANSPORTATION and communication group will take up several current transportation problems. Carl R. Gray, president of the Union Pacific System, will discuss the outstanding recent developments in the railway field. The question of regulation of motor carriers in interstate commerce, the metropolitan traffic problem, and the assistance which commercial and trade organizations can give in its solution, will also be considered.

Housing will be discussed by the civic development group meeting. This question, in the opinion of the Chamber's Civic Development Department, is vital at this time because of the effects of the shortage of housing in industrial areas. The group will give attention to the value of city-building congresses composed of architects, contractors, engineers, financial men and labor for the purpose of promoting mutual understanding and efficiency, to the economic use of land in urban communities and to the question of the relation of housing to citizenship.

Dr. John M. Gries, chief of the Division of Building and Housing, Department of Commerce, will speak on the subject of "The Building Congress—Its Purposes and How It Is Achieving Them in Five Cities."

"Housing in Relation to Citizenship," will be discussed by Morris Knowles, civil engineer and city planner, Pittsburgh, Pa.

The speaker on the subject of "Economic Use of Land in Urban Communities" has not yet been announced.

# What Future for the Federal Reserve?

*The System Has Been a Decided Advantage to the Business of the Country; We Should Renew Its Charter*

By **ANDREW W. MELLON**

*Secretary of the Treasury of the United States*

**T**HE FEDERAL Reserve System has just passed its tenth anniversary. The life of the original charters for the Federal Reserve Banks was twenty years, and consequently they now have less than ten years to run. Action on the renewal must be taken well in advance of the expiration of their present tenure in order to avoid any uncertainty as to policies and administration. Under the circumstances the question as to the future of these institutions has appropriately been raised.

The passing of the Sixty-eighth Congress, without the enactment of legislation liberalizing the powers of national banks and removing the handicaps under which they operate in competition with state institutions, is also responsible for raising the question at this particular time. In view of the failure of this legislation, some have expressed apprehension that a sufficient number of national banks would surrender their charters to materially weaken the Reserve System. While I do not share these apprehensions, I realize that the system is still in its infancy, will continue to face many difficult situations and some opposition, and that it can function effectively only with the support and co-operation of a public familiar in some degree with its relation to our economic system.

During their brief existence the Federal Reserve Banks have demonstrated beyond any doubt their value to the country. Previous to the enactment of the Federal Reserve law this country labored under the terrific disadvantages of an inelastic currency and entirely inadequate reserve arrangements.

Our banking system was so constituted that it operated to aggravate the panic symptoms of any financial emergency rather than to relieve them. National banks could issue only currency secured by government bonds and consequently were unable to increase the currency in times of stringency. Interior banks could expand their credit facilities only by borrowing from metropolitan banks—all tending toward New York.

New York's resources were call loans upon the stock exchange and the importation of gold from abroad. Instead of a closely knit and coordinated system of banks there were a large number of independent banking units which in times of stress struggled against one another, each seeking solely its own protection instead of the protection of the whole financial structure of the nation.

These conditions were fundamentally changed by the establishment of the

Federal Reserve System. The Federal Reserve Banks are in a position to furnish adequate currency and credit to meet all legitimate demands of business; Federal Reserve notes can expand and contract in accordance with the currency needs of trade; the reserves of every regional bank through the rediscounting privilege are available to every other Federal Reserve Bank; the funds of the central reservoir can be diverted to any bank in the system which has need of them; immense transfers of funds are made by book-keeping entries; and the financing of an increased volume of business is accomplished with ease.

On the occasion of its recent anniversary the system received much well-deserved praise

and approbation from the leading financiers and business men of the country. The mature and unbiased judgment of every serious student of finance is that it deserves the lasting approbation of the country for the great service it has rendered during the first decade of its existence.

Although its initial trial occurred in a period of unprecedented economic and financial strain, the system has not only emerged without impairment of its own strength and stability but brought the country through the emergency with the soundest financial structure in its history.

In spite of the great upheaval in the economic relations of the entire world, business in America has been able to readjust itself and continue in the line of orderly growth. America has escaped that chaotic condition of her currency and credit which has characterized so many countries of Europe in the post-war period, and now possesses a financial structure capable of maintaining sound business development. That this is true may be attributed in a large degree to the operation of the Federal Reserve System.

The Federal Reserve System is not a panacea for all economic and financial ills and cannot entirely prevent business crises and depressions, but it can and has done much to modify them. It prevented the financial crisis which followed the close of the war from degenerating into a panic. Some loss, some inconvenience, and some mortality were experienced, it is true, but no such disastrous fatalities occurred in business as would surely have resulted without the system.

This ability of the system to exercise a steadying influence on credit conditions is its most valuable function. The more carefully the credit facilities are handled and the more orderly the development of business ex-

pansion, the greater will be the duration of the periods of prosperity and the less severe will be subsequent reactions.

A thorough knowledge and development of credit control by those who direct the system and an understanding of the same by the business public should lead to the maintenance of business on a more even keel in the future than in the past and is the most important single factor in the future development of the Federal Reserve System.

The system has been the object of severe criticism during recent years. Much of this has been unfair and ill-advised, frequently founded on a lack of understanding of our credit structure and the functions of a reserve bank. Furthermore, there always exists a discontented element in the community which is opposed to existing institutions of any kind.

The recent price decline and depression in



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This is an unusual picture, for Mr. Mellon hasn't much time to play. Tired-looking, but keen-eyed, he's a familiar sight to Washingtonians. Few men work as hard to pile up money for themselves as he works for the Government for \$15,000

agriculture, for example, have been attributed by some elements to the Federal Reserve Banks in spite of the fact that bank credits continued to expand for six or eight months after the price decline had begun and that the expansion in agricultural districts was more rapid than in the industrial districts.

The system has doubtless passed through its most trying period, however, and with the gradual return to more normal and more prosperous conditions following the maladjustments of war, the people as a whole are beginning to realize the great service which it has rendered the country by preventing a period of depression from sinking into a financial panic of the old order.

They realize, too, that the country's problems were something more than mere credit problems and that the economic factors operating were world-wide. The improvement in world markets and some adjustments in production have accomplished more for agriculture in this country than unlimited extensions of credit or artificial measures of price control could ever have done.

The most serious menace to which the system has been subjected in the past, and probably will be in the future, is political attack, and this undoubtedly is a question which should receive the thoughtful attention of the public. This influence may conceivably arise in its most serious form when the renewal of charters comes up for consideration, and it is only to be expected that many are asking the question whether the Reserve System shall go on serving the economic community or whether it will meet with the same fate as the First and Second Banks of the United States.

### Depends on Cycle

THE effectiveness of such attack will depend largely upon the particular phase of the business cycle. If the country is then in the midst of a wave of prosperity, the opposition to renewal will be slight. If the country is passing through the low point of the cycle, however, the opposition will be more serious, because the discontent which prevails at such periods is ever seeking some point of attack, and but little discrimination is exercised in the choice of a possible object. While there is little probability that such opposition would be able to defeat renewal except under unusual circumstances which cannot now be foreseen, there always exists the possibility of the impairment of the system by changes benefiting this or that group but which might prove to be fundamental and seriously interfere with the proper functioning of the banks as reserve institutions.

The system, of course, is still in its youth and lacks the experience of European central banks. There will of necessity be changes

from time to time and constant adjustment to the needs of the country, but these changes must be made by the friends of the system and in accordance with sound banking principles, not by its enemies for partisan purposes. The prosperity of the country is dependent upon the impartial and wise administration of our banking system unhampered by political or partisan domination.

As to the suggestion that a substantial number of national banks may withdraw from the system, I am inclined to think that this is not a serious possibility. The system has demonstrated its value so con-

clusively to the bankers of the country that they would be the first to resist any movement tending to weaken its position. While the American banker has tended in the past to look at these questions largely from an individual viewpoint, the events of recent years have demonstrated to him the close relationship of his institution to the general credit structure, and he has come to realize that his own interests are fundamentally dependent on the existence of a sound, well-managed

credit system as a whole.

This does not mean, of course, that the national bank can be made to bear indefinitely needless handicaps in competition with state institutions. Some revision of the national banking law in the way of liberalizing and expanding the powers of the national banks is necessary, and it is to be regretted that such legislation was not enacted during the session of Congress just closed. The need for it is vital and the matter will doubtless receive the early consideration of the next Congress.

The members of the Federal Reserve System at the present time have over 70 per cent of the total resources of all commercial banks of the country, and from the viewpoint of financial strength the position of the system is unassailable. While additional membership would add little if anything to the strength of the system, it has been frequently pointed out that the nonmember state institution is not in position to serve its community as effectively as if it had direct access to the central reservoir. This is particularly true of the nonmember state banks in agricultural communities of the nation.

### Cautious Administration

PERHAPS under normal conditions they have little need for rediscounting facilities, but it is during emergencies that they need assistance in order to render the fullest service to the community.

Furthermore, the requirements of membership would doubtless lead to more cautious and farsighted administration of these smaller institutions and also better cooperation with the country's general credit policies.

As time goes on and the system's merits become more fully appreciated by the banking public, doubtless an increasing number of state banking institutions will apply for Federal Reserve membership.

The Federal Reserve Banks have securely established themselves in our economic system. Future development will in all probability be along lines already laid down. There will of course be occasional legislative modifications and constant adaptation to expanding needs. The chief problem is to guard against malevolent influences and modifications which are contrary to the best banking and the best credit principles.



The Federal Reserve is more than a "system." It's a tangible thing. Here's evidence—four of the twelve Federal Reserve Bank buildings that stretch from coast to coast and range in architecture from Kansas City's modern office building, in the upper left-hand corner, to the Richmond bank in the center looking like some secret society's temple. The upper right is San Francisco's building; Dallas, at the bottom, has drawn no classic sources for its structure housing the Federal Reserve

# Where the Federal Trade Commission Failed

By WILLIAM C. REDFIELD

Former Secretary of Commerce



HARRIS & SWINE

William C. Redfield

WHEN the ex-Secretary of Commerce wrote how the Federal Trade Commission had departed from the purposes of its founders, he did not know what a change would come over its spirit with the appointment to the board of William E. Humphrey.

What Mr. Humphrey has helped to accomplish, and how he feels toward the Commission, are told in a succeeding article. This article, an authorized interview, is a promise of fairer play for business and of a correction of those

evils which Mr. Redfield points out.

JUSTICE to all citizens is the essence of democratic government and any law or practice that denies it must in time be repealed or altered.

Furthermore, in recent times, a new spirit appears in the application of the law—the spirit which would heal and correct rather than punish. Although this applies primarily to criminal procedure, it has greater force when business problems come within the scope of government regulation. These problems are not always clear-cut cases of right and wrong. They frequently involve clashes of economic interests without ethical content. They often lie within an economic no-man's-land and must be judged by the rule of wise expediency. We have emerged from the days when a moral crusade was considered the way to control business.

## Does It Follow Principle?

THE LEGISLATION of 1914, which gave us the Clayton Act and the Federal Trade Commission, was thought an advance over earlier means for controlling monopoly and restraint of trade. The Clayton Act dealt with specific practices and attempted to define some evils inherent in the so-called trust situation. In the Federal Trade Commission, Congress was supposed to provide machinery which was corrective rather than punitive, an administrative body created to adjust economic conflicts in accordance with reason and scientific study. It was therefore welcomed by business men as well as by legislators.

As the Federal Trade Commission has now been in existence for over ten years this seems a fitting time to inquire whether it reflects the principle which was in the minds of those who made it and whether it has met the hopes and purposes of those others who supported it. In the light of current events it is interesting to read that portion of President Wilson's message which advocated a commission on January 20, 1914, to Congress:

The business of the country . . . has long awaited and has suffered because it could not obtain . . . more explicit legislative definition of the . . . meaning of the existing anti-trust law. Nothing hampers business like uncertainty. . . .

Surely we are sufficiently familiar with the actual processes and methods of monopoly . . . to make definition possible. . . .

The business men of the country . . . desire the advice, the definite guidance and information which can be supplied by . . . an interstate trade commission. . . . The opinion of the country . . . demands such a commission only as an . . . instrument of information and publicity and as an instrumentality for doing justice to business where the processes of the courts or the natural forces of correction are inadequate.

This states the purpose for which the Federal Trade Commission was desired by the President.

Bills proposing a commission in some form had been pending since 1911. In sponsoring a bill Senator Newlands had said, "There is need of an independent, quasi-judicial and administrative tribunal of great character and dignity, as far removed from partisan control as are the courts. . . ."

The Federal Trade Commission Act had for its chief cause dissatisfaction with the enforcement of the Sherman Anti-Trust Law. That act had not been effective; phrases like "monopoly," "trusts," and "restraint of trade" were used in a loose political sense without identification with those elements of the common law which condemned such practices. The Supreme Court, therefore, applied its own "measuring stick," construing the Sherman Act in terms of the common law. But Congress was restive under the assumption that justices might arrogate to themselves the building up of a system of common law regarding trusts. They preferred a body responsible to themselves to administer the anti-trust laws.

Following the decisions on the Standard Oil and Tobacco Cases in 1911 both the Republican and the Progressive parties came out in 1912 with platforms declaring for a Federal Trade Commission. Opinion crystallized rapidly. A referendum by the National Civic League showed 614 to 278 in favor of a commission. Industrial leaders, E. H. Gary, George W. Perkins and others, urged the creation of a commission. The Senate Committee on Interstate Commerce in 1912 held

MR. REDFIELD, in discussing the power wielded by the Federal Trade Commission—especially before its wings were clipped by the courts—has compared the Commission to *Fury* in "Alice in Wonderland." The lines run, you know: "I'll be judge, I'll be jury," said cunning old *Fury*; "I'll try the whole cause and condemn you to death."



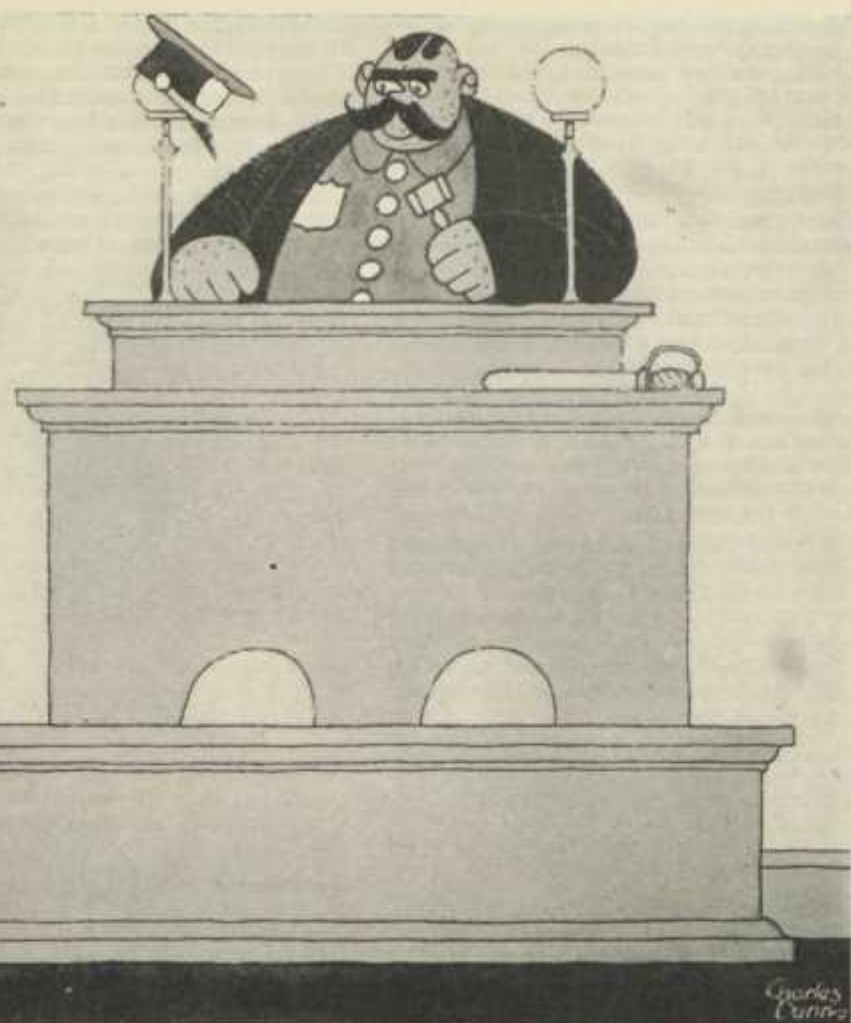
a hearing which took three thousand pages of testimony and filed a brief report demonstrating the growth of sentiment for such a body.

Looking back from this distance, it is evident that the unanimity of Congress and business men on the proposed commission was more superficial than real. Business men had in mind a body which could advise in advance respecting the lawfulness of business practice. Business needed and sought a guide, counsellor and friend; Congress had a different idea. Certain it is that the bill as it emerged had no provision insuring "advice in advance" or assuring conferences with business. Business asked bread and received a stone. It expected a friend; it was given a policeman.

## Power to Supervise

OPPONENTS of the Commission, like Senator Burton, objected when the bill was pending on the ground that "the Commission is no longer one for investigation or securing greater publicity; no longer one to aid the courts or administrative officers by supplementing their action."

"It is given power," said he, "to supervise the business of the country. What will be one of the first results? When two competitors are engaged in business—individuals, partnerships, or corporations—and one of them thinks, perhaps erroneously, that he is worsted in the race of competition, there must needs be an application to the Trade Commission to see if in that way some advantage cannot be obtained." Senator Burton prophesied that the purpose of the bill could be realized only through the forbearance and exceptional qualities of the men chosen as commissioners and not "because of the terms of the Act." There were those who pointed out also that the Federal Trade Commission



Whatever the cause of this change, it has resulted in the delay of trials and in the failure of justice. Furthermore, the published findings of today show little of the underlying economic facts and so fail to make clear the issues involved. Mr. Gerard C. Henderson, in a recent study of the Federal Trade Commission, says, "Even the best of the Commission's findings have an accusatory, rather than a judicial tone, which . . . must greatly weaken their authority." Later, he adds, "Indeed, a search of the opinions of the Circuit Court of Appeals and of the Supreme Court does not reveal a single case in which it can be said with assurance that the findings of the Commission have in any way affected the decisions of the court."

Even a cursory examination of the practices of the Commission reveals a striking disregard for fair play. Many believe that the Commission has permitted press publicity respecting charges, before the charges themselves were known through a formal complaint to the respondent. The seriousness of injustice is heightened when the procedure is slow. Cases that are dismissed or discontinued after trial or hearing have frequently been pending a year and a half; others that are dismissed without trial or hearing may, as statistics show, drag on for nearly two years.

### Make No Reparation

**Y**ET NO reparation, oral or otherwise, is made to the injured business man. Neither the testimony nor the defense in such instances is published in the Commission's reports. Instead, the reasons for discontinuance or dismissal are given in such casual terms as "failure of proof," "evidence not sufficient to support an order," "no reasons assigned." The Commission shows no appreciation of the fact that credit is sensitive. It is not just to attack in public and acquit in private.

The criminal before the bar of justice has the right to know the full nature and details of the offense with which he is charged including the name of his accuser, and to be confronted with the witnesses against him and to cross-examine them freely. The Commission has refused to grant bills of particulars or even to let the respondent know who is the accuser.

For instance, one Joseph Simmonds who was charged with certain violations of the law through advertising "within the year last past," and who alleged that he had searched in good faith but in vain for the offending advertising, applied to the attorney of the Federal Trade Commission for a bill of particulars but was denied it. In other words, the Commission says, "You have done wrong," and when asked, "How, or where?" it says, "We won't tell you."

### Refused a Murderer's Rights

**A** BUSINESS house before this body is refused rights which are secured by law to a thief or murderer, that is, to know specifically with what offense he is charged and whence the charge comes. A premium is thus put officially upon anonymous attacks and the Commission acts as accuser, judge, and jury, having all the facts itself but refusing them to those who are haled before it.

In the supervision of foreign trade through the administration of the Webb-Pomerene Act the Federal Trade Commission has performed a valuable service as well as in correcting evils in many outstanding cases of unfair competition. Space requires us, however, to confine ourselves to the more salient features on which it must rest its claim for public approval after ten years. Frankness bids us say that the Commission has failed

was a "tribunal which, in its close touch with the commerce of the country, in its wide ramifications, has a power to make or mar almost equal to that of an absolute government."

Two divergent tendencies appeared in the discussion. On such a vital point as the guiding of business in the right path Congress and the business world are seen to have been at odds. Yet in the earlier stages of the debate those who favored the measure, while stressing the purpose to aid in enforcing the anti-trust laws, said that the Commission would bring business into harmony with the law through "conference, negotiation, and mediation."

### Gave Promise at First

**IT** WAS said also that a commission would "relieve doubt and uncertainty in business, develop trade, encourage commerce, and promote enterprise," for it would be analogous to the Interstate Commerce Commission, establishing precedents and thereby creating an enlightened public opinion. Obviously, the Commission was meant by these advocates to be an educational force clarifying the public mind on questions of business practice. Thus, also, the special committee on trust legislation of the Chamber of Commerce of the United States of America had in mind in the spring of 1914 a body that would render expert opinion.

It said:

A commission will have in its membership one or more men whose experience and training have been gained primarily in business; thus there will always be possibility for representation of the point of view of practical men of affairs. . . . As the Commission is to have a function of recom-

mending legislation relative to trade practices and the like, it is all the more important that it is to be a body of experts.

The Commission at the outset gave promise of living up to the hopes of its business friends. It made a good start. It sought "to make use of every available source of enlightenment" and to act "with the utmost circumspection." There were few ill-founded prosecutions and "in a number of instances, although there appeared to be a violation of the law, still the party complained of agreed to cease and desist therefrom and in such cases the Commission dismissed the case by a conference ruling."

The Commission in those years gave the respondent full opportunity at hearings to cross-examine its witnesses and to prove every defense set up in its answer. In the report for 1916 the Commissioners state significantly:

While it is the purpose of the Commission to confine the evidence within the scope of the inquiry, nevertheless, . . . judicial rules of pleading and procedure are not strictly adhered to. The main desire is to get all the facts . . . in order to make a just and fair and speedy disposition of the matter.

The spirit revealed by these earlier reports is in contrast to that shown in those of later years, which include only the formal findings of cases. In these first days we find an evident desire to advise business by promising to publish "a series of general rulings . . . for the use of the public . . . to be submitted to applicants for advice whenever the ruling may cover the state of facts described."

As time passed, however, a legalistic tendency appeared in the conduct of cases and has grown until it is in supreme control.

in serious ways. Its findings are expressed in legal phrases rather than clear statements of business facts in their economic bearings. Consequently it has no prestige for expert opinion with the courts. For the same reason its barren transcripts of cases have small educational value to the business world which it was meant to serve. Its findings do not give the reasons on which decisions are based and thereby fail to establish precedents by which "business men and attorneys could be guided in the conduct of affairs."

We had looked to the Federal Trade Commission for practical judgments. We had hoped that it would show a statesmanlike comprehension of its privilege as a guide and of its obligations to render expert decisions which would be milestones for opinion. The Supreme Court has not recognized the findings of the Federal Trade Commission as a body of expert opinion as it does with those of the Interstate Commerce Commission. So far the Trade Commission has qualified only as a finder of physical facts and has failed thereby to justify its separate existence.

### Playing Double Role

MR. HENDERSON in his excellent study points out that the "irregular practice of allowing the trial attorney to have a hand" in preparing the findings should be forbidden; likewise, that the trial attorney should be drawn from a panel independent of the division of the Commission which initiated the complaint. Indicating that a serious fault lies in the effort to combine successfully the double rôle of complainant and judge he suggests that the statute should require the Commission to issue a citation for inquiry to persons employing questionable practices, which would afford to all concerned opportunity for an open and impartial hearing.

Mr. Nelson B. Gaskill, the retiring chairman of the Commission, in his dissenting report to the last Congress suggests a further change in procedure to the effect that when the respondent complies with the formal order to cease and desist the case should be dropped. Both these suggestions are in line with the earlier practice of the Commission and are consonant with the purpose for which it was created.

Mr. Gaskill tacitly admits that the Commission does not always work justice:

Moreover there . . . will continue to be much

criticism from the business world arising out of the mandatory application of the process of complaint, trial and order. . . . Despite the utmost care and precautions in the issue of a formal complaint there will be cases in which the full explanation or argument will indicate that the complaint would not have been issued had the ultimate facts been available.

The Commission started the fiscal year with a hang-over of 565 applications for complaint and 264 formal complaints to be disposed of in addition to those which will originate during the year. In answer to the Commission's plea for more money and an enlarged personnel, Mr. Gaskill says:

It is very questionable whether it is possible for five Commissioners to dispose of the volume of business before it . . . even if the Commission had at its disposal a force equal to the requirements of bringing this volume of business to conclusion in the fiscal year.

After ten years of endurance the business world is rebelling against the unjust methods of the Federal Trade Commission.

Of interest, too, is the Wadsworth-Williams bill sponsored by the American Grocery Specialty Manufacturers' Association, which amends the present law in essential respects. An important section reads:

To require the Commission to seek informally, constructively, and helpfully to determine with the user whether a method questioned by it is an unfair method of competition . . . and to resort to a formal proceeding only upon the failure of such informal inquiry.

This measure is supported by over thirty trade organizations but the business world may say in the light of hard experience, "Will this measure alter the harsh spirit of the Commission?" The answer is that the framers of the pending measure are taking no chances. The bill prohibits such flagrant injustice as has existed, and it forbids premature publicity, requiring as well that when cease-and-desist orders are issued they shall no longer be made in vague and general terms but in plain, specific language.

Sentiment has swung back to the original idea of conference and counsel. The Commission has not provided the expert opinion promised. It has exceeded in severity the spirit and purpose of the law. Lost in the complex mazes of its own machinery the Commission cannot adequately control its present processes, much less amend them. It

has been on the whole a disappointment and a scourge to the business world.

It is fortunate that the courts have so largely clipped its wings. This being so, the world of commerce may hope for better things in the near future and, meanwhile, those among us who remember our "Alice in Wonderland" will find the following passage remarkably suggestive of the present methods of the Federal Trade Commission:

"Fury said to  
a mouse, That  
he met in  
the house,  
'Let us  
both go  
to law:  
I will  
prosecute  
you.—  
Come, I'll  
take no  
denial;  
We must  
have a trial:  
For really  
this morning  
I've  
nothing  
to do.'  
Said the  
mouse to  
the cur,  
'Such a trial,  
dear sir,  
With no  
jury or  
judge,  
would be  
wasting  
our breath.'  
'I'll be  
judge,  
I'll be  
jury,' said  
cunning  
old Fury;  
'I'll try  
the whole  
cause  
and  
condemn  
you  
to  
death.'"

## "Don't Shoot—We're Coming Down"

An Authorized Interview by Jack Underwood

THE FEDERAL Trade Commission was intended as an aid to business. It was designed to give definite guidance and advice to business men, to investigate violations of the anti-trust laws, to check unfair practices of business men and, as far as possible, to protect the public against illegal combinations in restraint of trade.

Instead of helping business, the Commission has put every possible obstacle in its way and, worst of all, it—totally without warrant or justification—condemned and maligned business men for practices of which they were innocent.

An instance of this gross injustice was that of an aged, honest and respected business man of the Pacific coast to whom the Commission gave a lot of undesirable publicity by an allegation of violation of anti-trust laws. The charges were untrue and the victim could

easily have explained them had he been given an opportunity so to do.

"Personally, I don't care about it in the slightest degree. There isn't a chance in the world that these charges could be proved," this old gentleman told me. "The thing that gets under my hide is the fact that my granddaughters will read these libels in the papers."

But the Federal Trade Commission gives promise of mending its ways. Largely through the influence of Commissioner Will E. Humphrey, who recently was selected by President Coolidge to fill a vacancy on the Board, new rules have been inaugurated. Before the advent of Mr. Humphrey as a member of the Commission two other members—Vernon W. Van Fleet and Charles W. Hunt—opposed these practices but they were outvoted three to two by the other members.

"Perhaps the most significant of these

changes," said Mr. Humphrey, "is the adoption of the rule which provides that no complaint shall issue against the parties complained of until they have had an opportunity, if they so desire, to be heard. For this purpose the Commission has appointed a Board of Review consisting of five members selected from the legal staff. If, after this informal hearing, the Board of Review recommends that a complaint be issued, then the matter will come before the Commission for action."

This is directly opposite to the policy that has dominated the Commission for many years. The crux of it is that the party complained of shall have his day in court and shall no longer be condemned unheard.

Under the policy that has been abandoned many grave injustices were perpetrated. Take the case of the West Coast lumbermen as an

illustration. In the period of depression shortly following the war, and subsequent to the unemployment conference held in Washington, these lumbermen were called to the National Capital at the suggestion of President Harding for a conference with government officials.

They had many discussions with Secretary Hoover and a plan was worked out to put the West Coast lumber in the markets of the East. The scheme involved the conversion of certain ships into a type suitable for carrying lumber through the Canal and contemplated the expenditure of a large sum for advertising in eastern newspapers and magazines.

Before the plan was fully consummated, the Federal Trade Commission stepped in. Basing their whole charge on the fact that a salesman had written a letter—subsequently retracted—to the effect that the lumbermen were in a combine and that the price of lumber was likely to advance, the West Coast lumbermen were lampooned in the public press and were ordered to cease and desist from further engaging in the project.

It was alleged that the lumbermen during the war had curtailed production in order to raise prices and the fact that they had agreed jointly to advertise their product was pointed to as evidence of an intent to raise prices still higher.

#### Attacked Attorney General

NOW the facts were that during the war the lumbermen in Washington had increased their production more than 100 per cent; in Oregon they increased it nearly 200 per cent; in California they had increased it approximately 80 per cent. But they had no opportunity whatever to deny or disprove the charges made by the Commission. So, in effect, they told the Commission to take a jump in the bay and proceeded with their joint advertising plan and their distribution of lumber in the eastern markets.

The Federal Trade Commission appealed to the Attorney General and asked him to prosecute. The Attorney General found very quickly that production had not been curtailed and that joint advertising of a product is not a crime. The Federal Trade Commission then attacked the Attorney General in the public prints and asked that he be removed from office.

This brought about the anomalous situation of one department of the Government condemning another department of the Government in the public press for not prosecuting men for doing that which a third department of the Government, with the sanction of the President of the United States, had encouraged them to do.

A somewhat similar case is that of the wholesale grocers of El Paso, Tex. During the war they were organized by Mr. Hoover, as food administrator, into a combination to prevent the raising of prices. Two years after the organization had voluntarily disbanded they were cited to cease and desist from doing that which they had ceased to do more than two years previously.

One of the rather interesting developments in connection with this case is the fact that several Federal Trade Commission lawyers and investigators took a junket from El Paso to Los Angeles at government expense and remained there for several days. During this time they convened the Commission long enough for a witness to place a letter in the record. Less than a dime's worth of postage

stamps would have accomplished the same result.

In commenting on this procedure of holding ex-parte hearings, Mr. Humphrey said the present majority of the Commission believes that this change is justified because "complaints often were issued upon what was not even a near-suspicion. The records show in a large percentage of the cases that such issuance was improvident and that thereby great injury was often done to honest business."

"The situation was intensified," continued Mr. Humphrey, "by the fact that the Commission gave out publicity at the time the complaint was issued and the laity did not distinguish between accusation and guilt. This was especially true in cases where big business firms were involved."

"The complaint was issued and given wide publicity and then it frequently would occur that after many months, sometimes several years, the case was tried and it was discovered that the complaint was issued without justifiable cause. But this did not erase from the public mind the impression that the respondent had been guilty of a violation of law."

The practice has been for the Federal Trade Commission to distribute among the Washington newspaper correspondents mimeographed copies of a full statement of the Commission's side of the case. These announcements teemed with sensational phrases totally unwarranted by the facts set out, such as "bare-faced fraud," "indefensible profits," "preying with shameful avarice upon consumers" and so forth. This is printable and to the correspondent is accepted since it bears the official stamp of a department of the Government.

Usually after the case has come to trial—from six months to two years later—and the people indicted in the public press have had a chance to present their side of the case, and it has been proved beyond controversy that the charges were totally unjustified, it has been the custom of the Commission to send to these correspondents an announcement about as follows:

"The Federal Trade Commission announces that case No. 16892, in which an order to cease and desist was issued against Blank,

Dash & Co., has been dismissed." This gets no publicity. There is no news in it. But in the meantime worthy business men have been maligned.

Mr. Humphrey believes that the new rule not only will give the respondent a chance to be heard before he is condemned but that it will greatly reduce the number of complaints. He says that in cases where a settlement can be reached by stipulation to the effect that the respondent will cease the practices complained of, there will be little publicity.

#### Will Protect Public

"THIS," said Mr. Humphrey, "will generally protect the public just as fully as would the issuance of an order by the Commission and, in addition, it will save the taxpayers large sums of money. It will be an advantage to the public, to the Government, to the respondent and all parties concerned. Under this rule the Commission will not hereafter give out any publicity in regard to cases until the issuance of a final order."

Among the changes recently adopted is one that prohibits various departments of the Government from examining papers and documents that have been submitted to the Commission by various respondents. This is a complete reversal of former procedure. "The Commission wishes to be worthy of the confidence of the business interests of the country," said Mr. Humphrey. It wants these interests to feel that they can deal with the Commission in good faith. We want the public to know that when information is submitted to the Commission, the Commission has no ulterior motive in securing it. The former practice was unfair to the respondents. It is in the interest of the public that all information voluntarily given by the respondent shall be held strictly confidential. The Commission believes that this rule in many instances will be of great assistance in reaching an understanding and agreement."

Another new rule of the Commission provides that hereafter cases of small importance, even where the Commission may have jurisdiction, will not be prosecuted if, in the opinion of the Commission, public interest does not warrant it. In cases where the complaining party has an adequate remedy at law the Commission will act only in exceptional instances.

#### Needless Government Expense

THE ACTION brought before the Commission by the Curtis Publishing Company illustrates the point. In a small town in one of the central states there was published a weekly newspaper named the *Saturday Evening Post*. It had less than six hundred subscribers. Of course, this was an unfair practice. The Commission put a staff of lawyers and investigators to work, spent a lot of time and government money. For fifty dollars the company could have gone into the local courts and obtained a restraining order against the person who wrongfully was using the name of its journal.

The fault in this case was not with the publishing company. It lay with the Commission, which should have advised the complainant of the easier and cheaper method of procedure. The Commission has given so much attention to insignificant matters that it has not had the time that should be devoted to flagrant violations of



Business had looked to the Commission for practical judgments and guidance. But the Commission arose like a bad juicer from an Arabian Nights' jar

business law and also of business ethics.

In years gone by the Federal Trade Commission has been used by politicians to gather information upon which to predicate campaign thunder. This practice also is going to stop. The Commission is charged only with investigation of violations of the anti-trust laws and hereafter it will not go outside of its provinces. It is admitted that it has investigated a number of subjects without the slightest authority in law for so doing.

In commenting on this situation, Mr. Humphrey said, "Many resolutions come down from Congress directing investigations of various kinds. The statute giving the Commission authority to make such investigations is very limited and, while the Commission is extremely anxious to cooperate with either branch of Congress in every way possible, it finds that it is without jurisdiction to investigate as directed by a large number of these resolutions."

"It will be the policy of the Commission hereafter to investigate as far as it has authority to do so under such resolutions. But it feels that it is not justified—in fact, it would be subject to the severest condemnation—if it investigated matters beyond its jurisdiction. Expenditure of money for such purposes could not be defended upon any theory."

"Besides that the Commission feels that these resolutions frequently call for investigations that require a large expenditure of money far beyond the amount the Commission has at its command. The policy of the Com-

mission hereafter will be to request Congress when it orders investigations to make a special appropriation for that purpose."

The Commission will spare itself the expense of useless trials in court where the same point at law is involved.

For instance, it commanded a wheat-buying institution to open its books to the Commission. The order was refused. The Commission went into the Federal Court at Baltimore and asked for an order directing that the Commission's demands be obeyed. The court declined to make the order.

A little later the Commission made a similar demand upon a tobacco organization, with the same result. The Commission went into the Federal Court in New York, but was again turned down. This practice will be stopped.

In the discussion of the new rules adopted by the Commission, Mr. Humphrey laid particular emphasis upon the one which provides that settlement may be made by stipulation.

"By such stipulation," he said, "the cost incident to the trial of a case is saved and the public in almost every case is just as fully protected as by the issuance of a final order. The Commission would like to have it understood that under the present policy we are ready to consider stipulations of this character at any time before the issuance of the final order, that if the respondent in any way violates such stipulation, the Commission will at once issue a complaint. And then it will certainly use every power it possesses to

bring about adequate and just punishment."

Mr. Humphrey expressed the hope that nothing he has said in this interview shall be construed to mean that illegal or unfair practices will be tolerated in any way. There are some people in business in this country who will have no reason to give three cheers for the changes which have been made by the Federal Trade Commission.

Unfair, unethical and crooked business men will find that the Commission will use its power in every way against them. The Commission, as at present constituted, wants business men to feel that it is here to help them if it can; it wants them to know that their confidences will not be violated, and it wants to assure them that if their competitors are using unfair practices against them, or against the public, the Commission is ready to grant relief if the facts warrant it.

Crooked business has no more formidable enemies than Commissioners Humphrey, Van Fleet and Hunt, but they want it understood, too, that they are ready and willing to help honest business in every way possible.

"To sum up," said Mr. Humphrey, "hereafter the chart and compass of the Federal Trade Commission will be the public interest. Whatever the Commission believes to be in the interest of the public will be done, and all other matters, however much they may affect individuals, will be disregarded. The Commission feels that it never was the intention of Congress that it should be used for any other purpose."

# The Growing Dignity of Trade and Law

By GUERRA EVERETT

IT HAS become fashionable of late to discuss the alleged vulgarization of the legal profession into a mere law business, and articles in current law reviews either deplore or apologize for this supposed condition. It cannot be denied that recent years have witnessed a gradual liberalization of the practice of law and that many of the greatest lawyers and law firms of today confine their practice almost exclusively to business clients.

The notion that prevails in some quarters, that the dedication of the law to the service of business somehow detracts from the dignity of the profession, can be understood when it is remembered that business itself reached its present high standing in the community only within the last eight or ten generations.

## Romans Disdained It

BUSINESS in Roman times was limited practically to traffic in merchandise and did not receive patrician approval. Cicero, who was a man of advanced democratic predilections for those times, went so far as to admit that "as to merchandising, if it be on a small scale, it is mean; but if it is extensive and rich, bringing numerous commodities from all parts of the world and giving bread to numbers without fraud, it is not so very much to be despised."

Apologetically, however, this staunch republican champion goes on to say:

"But if a merchant, satiated, or rather satisfied, with his profits, as he sometimes formerly used to leave the open sea and make the harbor, shall from the harbor step into an estate and lands, such a man seems more justly deserving of praise."

This odd prejudice was not dispelled for

centuries, and we find medieval codes, like the first Spanish "Recopilación," expressly prohibiting trade to the nobility.

It was actually only in the last few decades that the union of industry and commerce sealed forever the respectability of business, and business now for its protection retains the best of legal counsel.

Most modern business schools include in their curricula a course in "business law," in recognition of the importance of law in the field of business. Perhaps from the ephemeral nature of these courses, however, the idea has spread that the business lawyer is a man of little sound legal training and with a vision warped and limited by the exigencies of small tradesmen. A commercial lawyer sometimes suggests a collector of petty overdue accounts. A moment's reflection upon the broad knowledge and the activities of a commercial lawyer will show how utterly unjustified such a notion really is.

The rules of law which today regulate the intricate activity of merchants were not even a part of the English common law until shortly before American independence; they were referred to as "the custom of merchants." Lord Mansfield, the far-sighted English justice who brought them into the fold of the common law, used to employ a jury of successful retired merchants to judge the facts in commercial cases that came before him, and to advise him concerning the law applicable.

Since that day business has advanced step by step with the benefit of "advice of counsel," until now the legal department is an integral part of every enterprise of any consequence, and every legal department in turn refers in certain contingencies to consulting

counsel. The bar as a whole is the steady support of commerce.

The existence of consulting commercial counsel indicates that the field of commercial law has become so broad that specialization is necessary. Thus one may become a specialist in negotiable paper, credit practice, incorporation, insurance, or employer's liability law, although it has become axiomatic that no lawyer should specialize until he has proved his acquaintance with the whole body of the law.

The most recent of special practices is that of adviser in foreign commercial laws. Here, also, it is necessary to limit one's practice to the laws of certain stated countries or parts of countries. A lawyer can in no true sense of the word specialize in the law of Latin America or the Orient or Europe. The names of the more eminent men in this field are regularly associated with the laws of definite countries or dominions or provinces.

## Specialized Foreign Law

THIS principle was acknowledged by the lawyers in this field themselves. In founding the American Foreign Law Association in March of this year, the members were invited to indicate, on the card of application for membership, the country or countries in the law of which they held themselves to be experts.

Indeed, it may not be too fantastic to suppose that, as our foreign commerce continues to expand, the export manager or the legal department of the future may have frequent occasion to employ the consultative services of "Richard Roe, Esq., Counsellor at Law Specializing in the Negotiable Instruments Law of Brazil."



FROM PRELIMINARY DRAWINGS OF DICKIN, HEAD &amp; WHITE, ARCHITECTS

The American Colonial is to be the dominant note in the architecture of the new buildings for the University of Rochester. Appropriate, beautiful and utilitarian.

# Suppose You Gave Away \$70,000,000

By FREDERICK BECKMANN

*IN ORDER to give, a man must deprive himself of something—must make a personal sacrifice. Only those who are poor, or of small means, really give; the very rich man does not give, he only distributes property—disposes of it.*

—GEORGE EASTMAN.

**G**EORGE EASTMAN, of Rochester, who recently distributed seventy million dollars to public institutions, never uses the word "give" or "gift" when asked about his benefactions. "Disposing of it" is the way he expresses it. He says that when one gives he makes a personal sacrifice; that a rich man can't give because in disposing of his wealth he does not deprive himself of anything. It is only the people of moderate or small means who give. The wealthy distribute.

## A Modest Giver

**M**R. EASTMAN does not object to discussing seriously his plans and motives in distributing those millions so long as you avoid using his name as well as refrain from quoting him directly. The interviewer may explain to him that while his plan of disposing of those millions is in itself quite interesting, the story cannot be told without a great many references to the personality that made it possible. He may even agree with you on that point, but constantly comes the suggestion to make it impersonal, to write about the act and eliminate the man. In that he is sincere; a case of one successful man truly modest to the point of diffidence. Admirable, but difficult for the interviewer.

Good sound business is the foundation for his entire plan of distributing these millions to schools, hospitals, dispensaries, for instruction in music, for the support of an orchestra. A catalogue of the Eastman gifts would mean little. When he disposed of 12½ million dollars in one day, some of it to Massachusetts Institute of Technology, some to the Uni-



George Eastman

versity of Rochester, a million to Hampton, another million to Tuskegee, there was always the same thought and underlying motive: Where can this money do the most definite good? Just as he might have thought twenty years ago: How can I make a camera that a child can use at a price a child can pay?

Anything for the betterment of humanity is good business, according to his philosophy. To have a successful institution not only re-

quires able executives, but good workmen as well, and all of them must be happy in their daily lives. Therefore anything that is done for the betterment of humanity is good business at the same time.

The best grade of workmen want to live where it is best for their families; they will stay in a community where the present and the future offers most to their families. So, if through public benefactions or otherwise a community becomes a good place to live in, a good place to rear a family in, a good place to work in, the business men who worked toward that end will themselves eventually profit by it. All of this giving or distribution, whatever you may call it, is based on reason; it is thoroughly practical. "It is a circle" as he expresses it.

## Purely Business

**W**HEN I asked him what moved him in making his gifts he brushed aside the suggestion of idealism, or lofty vision, or sentiment. To accumulate that property was a pure business proposition with him, and he insists that he has been governed by the same influence in distributing it—pure business principles.

"Please don't create an impression about me that I am moved by sentiment or by the day-dreams that are often called idealism," he said. "In the distribution of this property I applied the same kind of analysis and practice that I would use in organizing a selling campaign for cameras, or in finding a new market for films and better ways of making them."

In disposing of great fortunes to public use men have usually followed one of three main routes. They have left wealth by will, they have organized giving institutions, or they have tackled the job themselves.

It was the last course that George Eastman took. He wanted to apply the business principles he had used in making the money to putting it back again into public service. And

he expressed it with clarity when he said to me: "When I felt that the time had come for me to make some disposition of the money that I had accumulated, I considered it from the standpoint of any business man having that problem before him. The money could have been left to be used after my death, but that method did not appeal to me as practical.

"For instance, it does not seem possible that anyone could possibly draw a will that would cover the case of the School of Music as it stands today. Conditions change so rapidly these days that within ten years the original terms of a will may have grown obsolete, impracticable. It doesn't seem feasible to govern a large property from the grave.

### Not Governed From Grave

"EVEN with the most careful selection of boards of trustees, it must be remembered that men come and go, and that with the constant changes in a group of that kind some almost inevitably drift into the handling of an estate who are not altogether fitted for it. I have known of some trustees, well-meaning, upright men, whom I would not consider well equipped to handle an important part of a large business.

"Therefore it seemed only common business sense to dispose of this money while I was still able to accept personal responsibility, where necessary, and to give its placing my attention. It was all a part of my duty, and I therefore took it up myself instead of putting it on someone else's shoulders."

The institutions which received the property were selected after a business survey of the field. Where did it promise to do the greatest good? That alone decided his action.

We talk often of "pet charities." I doubt if Mr. Eastman has a pet charity, but the Rochester School of Music is very near his heart.

"You say cold business governs you in your gifts and in your benefactions and that ideals and sentiments are not permitted to influence you," I said to him, "Then how do you justify six or seven million dollars for a School of Music here in Rochester?"

A number of men had wondered how he as a business man could explain his gifts to music, he said, but here no less than in other instances he made use of his commercial training and experience.

As the daily hours of work in American industry grew shorter the communities neglected to make provision for the best use of the new leisure time. In the first period of the 8-hour day the old corner saloon offered a popular gathering place for the younger men—the saloon and the street corner. Public playgrounds, baseball fields, tennis courts had not yet become the accepted order. Considering this fact, gradually there came to Mr. Eastman the thought that music for everybody, music that was good and at the same time interesting, would not only offer immediate



Nothing here to suggest the ante-chamber to a dental operating room. A great aviary of singing birds occupies the center. Frescoes of fairy stories adorn the walls



Here the children of Rochester are given dental treatment. The room is large, comfortable with high ceiling and an abundance of daylight. There are rows of dental surgeons, each with operating equipment within reach

entertainment to both men and women but would also be of definite cultural benefit. "No one is ever hurt by music," he says. "Its effect is universally beneficial."

Why not establish a permanent symphony orchestra of high merit in Rochester? Clearly impossible in a city of Rochester's size, considering the history of similar organizations in Boston, New York and Philadelphia, was the prompt answer. It was then proposed to maintain the orchestra by augmenting the income of the members through having them play in a great moving-picture theatre. That would spoil good musicians, some of the objectors said.

It was pointed out, however, that many of the members of the best orchestras in New York, Boston, Chicago, play in theaters and hotels in their otherwise idle summer months; that the theater programs could be arranged with full consideration of the effect on the orchestra members. Further, it was shown that while the orchestras in the large centers

They preferred Rochester under the circumstances to New York or Philadelphia. What proved to be of most importance was that the musicians found they could live in Rochester in far more pleasant circumstances, do more for their families than in the large cities, and save more money.

### Bringing in Good Music

SYMPHONY orchestras in the great cities play to perhaps 200,000 or 300,000 people in the course of a year. The Rochester orchestra played last year to 1,900,000. Good pictures, good music, every day of the week, and a series of symphony concerts in addition within reach and attractive to everybody. Everybody in Rochester can hear good music at little cost the year through.

This orchestra plays in a theater that is operated in connection with the Eastman School of Music, and the running expenses of the organization are largely paid out of the earnings of that theater. Score another for

business. I went to that theater several times, and I wish I might go often. It is not only beautiful, but it is comfortable. The highest-priced seats are on the mezzanine floor; the lowest in the balcony—35 cents, I believe. Back of these cheap seats is a foyer, splendidly furnished, with lounge rooms that would be fit for the finest club or hotel; splendid rest rooms for women and children. And all in good taste.

"Why the splendid lobby for the cheapest seats and the plain little corridor for the expensive ones?" I asked the manager.

#### Pleasure at Low Cost

"MR. EASTMAN'S idea," was the reply. "He believes it means most and will give most pleasure to those who can spend the least for their pleasures. Practical democracy, I suppose."

As for the orchestra, it was giving an intelligent program and doing it well. Of more importance, the audience was enjoying it. I am inclined to believe that the music is more of a drawing card than the pictures.

But let's come back to Mr. Eastman.

"About your dental infirmary for children, where every child of sixteen or under in Rochester may have care for his teeth—I suppose that is pure, cold-blooded business too," I suggested. Mr. Eastman "disposed of" two and one-half million dollars for this purpose.

"Business? The finest kind of business," the answer.

He contends that there could not be a better investment or opportunity for well-doing than to help to prevent disease. That is the business basis on which the dental infirmary was founded. While endowed by one of the Eastman "distributions," at the same time the Rochester Board of Education appropriates \$25,000 a year to pay for dental examinations of all the school children and the thorough cleaning of their teeth twice a year.

#### Dental Attention for Children

"CONSIDER the work being done in the straightening of teeth for these children," Mr. Eastman said. "It takes about two years' treatment for every child, and the cost ordinarily would be from \$1,000 to \$3,000. Here it is \$80. Can you tell me where any one could get that kind of a return on an investment? And when these little boys and girls come home with their teeth where they ought to be, their brothers and sisters can't fail to see the difference; it means that every one in the family is going to give new care to their teeth. Clean, straight, sound teeth are an influence toward clean bodies and clean living too."

The director of the dental infirmary is Dr. Harvey J. Burkhart. The officers and trustees are fifteen Rochester business men, who in addition to their time contribute largely themselves to the project—a thousand dollars a year each. George Eastman is not one of the fifteen, carrying out his policy of turning over his part of the money and then leaving the operation to others without interference. No strings, which is the rule with practically all of his distributions. The children pay for their dental work—five cents a treatment. Sometimes, of course, they lose their nickel, or forget and buy ice cream, but never are they charity objects. Where they come for a long treatment in orthodontia, a deposit of five or ten dollars is asked. This is to discourage them from neglecting to return with only half the work done.

As is usual in most institutions of this nature, there was to have been a "patients'

entrance" at the side or back, with the front door reserved for doctors and visitors. That was changed; the front door is good enough for the poorest of the little patients that come here. The waiting room has the appearance of part of a children's play house: birds singing and flitting about in a great aviary, walls frescoed with fairy-tale subjects; diminutive chairs and benches for the children. That room was fitted by William Bausch, another hard-headed Rochester business man. There is no sentiment in Mr. Eastman; he insists on that himself; but there was sentiment somewhere in this work.

"They are getting more direct returns in the dental infirmary than anywhere else," said Mr. Eastman. "The children now coming on in Rochester are going to have the best teeth in the country, and in fifteen years this city will have a health record that will attract the attention of many other communities in the country. Other cities will want to know why Rochester's young men and women show such fine health records. Definite results here, that will be subject to check and proof."

#### Aid for University of Rochester

I HAVE TALKED most about music for all, and dentistry for children, because I wanted Mr. Eastman to tell the business reasons for them. This dental infirmary represents only one of the smaller of the Eastman benefactions. That School of Music is a story in itself; Rochester is going to be a city of healthy people and one of music lovers also.

The University of Rochester came in for a "distribution," too. The old plant is to be reserved for women students, while a new group is to be built on the other side of the city on a 160-acre site. The buildings are not to be an American imitation of the Gothic of Oxford and Cambridge. Judging from the preliminary drawings the architects recognize that this college is in New York State, America, and not in England. The colonial note is dominant, and something of the Dutch colonial at that.

Not only good taste and good history, but good business with it. "The colonial architecture is well fitted to college buildings," Mr. Eastman said. "Little waste possible, utili-

tarian and at the same time beautiful."

The university is to have a medical school with resources of 10½ million dollars, thanks to Eastman and the Rockefeller General Education Board.

"You are responsible for the establishment of a new medical school in Rochester," I said to Mr. Eastman. "Syracuse, only a short distance away, already has one. Why establish another when we have some very great ones that can always find use for money, and dozens of smaller ones already in operation? How do you reconcile your action here with your business formula?"

#### Sound Business Principles

"WE ACTED on sound business principles in this matter," he replied. "There was nothing further from my mind than establishing a medical school when Dr. Flexner, of the General Education Board, asked to see me. Of course, I was glad to meet with a man of his caliber, but I said frankly that I was not interested in doing anything for a medical school. When he came here, he went over the nation-wide survey made by his organization and showed me why it had selected Rochester as the location for a new medical school. There was no guess-work about it—a careful thorough study, made and presented in a business-like way."

"And what about the fifteen and one-half million dollars to the Massachusetts Institute of Technology?"

"I have known about this school all of my life. We have many men here from it. The man who goes through that school has worked; it has never been a place for a loafer, or for the type that goes to college for social experience. Our work here has always been highly technical. That's why the money went to Boston Tech."

#### Making Life More Worth While

THE TROUBLE in interviewing George Eastman is that he is always trying to put himself out of the picture. The only time he permitted himself to show any real enthusiasm outwardly was when I was talking about the children's dental dispensary and about the school of music. On other subjects he left me feeling as if I were trying to sell him something he didn't want. There is only one subject that he volunteered to talk, and that was camping and shooting in the western mountains. Every year he and three companions go into the northwestern states or over in British America for about six weeks.

Money and what he does with it, he fights away from.

"I hope to be able to make life more worth while materially and spiritually," he said to me, and I think that sums up his policy and at the same time disproves his belief that he has permitted neither sentiment nor idealism to affect the "disposition" of his millions.

In a statement to his employees after having ceased to be the principal stockholder in the kodak company, after having given six millions in a fund to further social and educational activities for these employees, he said:

"One of the reasons why I welcome this disposition of my kodak stock is that it separates me from money-making for myself and will give me a somewhat more detached position in respect to human affairs. I look forward with interest to finding out how much the changed condition will affect my views on current events."

He wants to study the world without any reference to George Eastman. It is a broad philosophy. Here's hoping he will have many years for his untrammelled studies.



George Eastman at Play



COURTESY NEW YORK HERALD-TRIBUNE

Human nature is one of Ding's fortes



And there often creeps into it a subtle satire that is delightful



COURTESY NEW YORK HERALD-TRIBUNE

Ding has an almost uncanny way of making things clear.

## A PAGE OF DING CARTOONS



COURTESY NEW YORK HERALD-TRIBUNE

As evidence these two cartoons, where we smile as we "see the point"



COURTESY NEW YORK HERALD-TRIBUNE

Mr. Coolidge and Congress are two of Ding's most powerful pen characters



This pair of cartoons has made its way the length and breadth of the land

*Mr. Ding*

# Who Puts a Smile in Economics

By HENRY SCHOTT

A STATEMENT was made recently—and I haven't taken time to prove it—that there had never been a publication devoted mainly to economics with a circulation of over 10,000 until NATION'S BUSINESS came into the field. Economics had been accepted as dry and dull and of interest only to professional economists—"the dismal science."

"You have shown that economics, treated popularly, has a wide appeal," an observer said. "You've made it interesting but I know a man who has gone you one better."

"Who? Where? How?"

"Jay N. Darling of Des Moines. You know him as 'J. N. Ding,' and his lessons in economics appear in more than a hundred newspapers every day and, I suppose, two million people see them. He draws them—teaches in pictures—the way you learned to read—C for cat, D for dog, O for ox. And as he gives you your lesson, he gives you a smile with it. A great system of teaching. He has made the dry subject of economics an interesting one—almost merry."

## Good Nature in Cartoons

I AM a diligent student in Darling's class in picture economics and when teacher hove into Washington the other day, I was prompt to report. He is of a size and build that would gladden the heart of the boss of a threshing crew and looks like a hundred and sixty acres of corn.

When the New York Tribune added him to its staff he, naturally, went to New York to live, but after a few weeks returned to the old homestead back in Iowa.

"If I am to keep the right perspective of what all of the American people are doing and saying," he explained to his New York friends, "I'll have to go back to the country. I'll lose my viewpoint if I stay here."

Cartoonists we have had with us from the days of Thomas Nast—cartoonists with power. It was Nast who did most to overthrow the Tweed ring. The Boss said he could overcome all of the attacks if some one could only buy off that picture man. Darling is as effective in his way as were Nast and his followers, but his way is different.

The old-timers used bludgeons, battle axes, to carry over their point.

Rarely does a Darling cartoon show venom, or even ill temper. This man makes humor, mild ridicule, the smile and the laugh his weapons. Another difference—he bases his arguments on sound, commonsense economics, where the older generations

built on party platforms with minor regard for fact or principle.

"Good nature in my cartoons, you think," said Darling. "I hadn't thought of them in that way. What I try to be is fair, honest. If I can't treat a subject honestly, I drop it. You can't fool the public even part of the time these days and getting mad at it only drives away your audience; so what else is there to do but be good natured—and reasonable."

"In the early days of my newspaper experience I was deep in politics—young and bitter, I could hate by the hour; enjoyed it. My boss was George D. Perkins, the Sioux City editor who was of the type of Henry Watterson, Samuel Bowles and William R. Nelson. His creed was his city, his state and Americanism—citizenship—nothing else mattered. When he became a candidate for Governor, Albert B. Cummins, now Senator, was his opponent. Cummins won and how I loathed him for it and for the many things he had brought against Perkins."

"Shortly afterward I was offered a place on the Des Moines Register and I took it on condition that I should never be asked to campaign against my old patron saint, Geo. D. Perkins. No sir! And as I grew a little older and quit spending so much time in hating people, I found that Gov. Cummins was quite as sincere and honest and upstanding in his beliefs as Mr. Perkins had been. And I had used all the invective, hatred and bitterness I could summon to try to prove him an economic faker and a financial pirate."

"Since then I have tried to convince by reason and not by bad temper. I avoid showing temper—when I fail I always have cause for regret. I have always found that when temper steps in reason walks out the other door and I lose the support of the reader—meaning votes."

"I have always been a student of economics but never intended to draw pic-

tures about it until I found that it was a subject on which the public mind was most befuddled. The people have not a very good understanding of commonsense economics, but they will respond if the truth is placed before them in a digestible state. Once in awhile an attempt is made to fool them, but it succeeds rarely—almost never. Tell them the truth simply without trying to force it down their throats and they will give you a fair hearing."

"Out in my home the farming industry had suffered a blow that would have sent commercial institutions in the same relative condition to the sheriff. Some one had to be blamed and the railroads were elected chief goat. Soak the railroads, was the song that got the encores. The roads were then doing their best to keep their heads above water and I tried to show that none of us would profit in pushing them under."

## Clearer Than a Thousand Words

THE most effective argument I offered—a cartoon is a diagram of an idea—was that of a farm wagon that had lost a wheel, but that to take a drive wheel off the locomotive to mend the farm wagon would not help agriculture in the long run. That meant two industries broken down. I think it carried over an economic fact that would not require a Ph.D. to understand."

An example of a cartoon without a sting and based on common sense. A thousand-word editorial, not even one of twenty words, could make it clearer.

Mr. Darling thinks we too often confuse economics with oratory and that most orators think they are *per se* economists.

"They are honest in it—believe they are right. Their own voices convince them," he said. "Take Mr. Bryan for instance. From his first days in public life he believed himself an authority on economics and made countless speeches on the subject; but he never earnestly studied economics and figures meant little to him. In reality he is a student of morals—a pulpit orator who wanted to teach economics. Honest, but an emotionalist."

"Many a man has gone into public life because he won an oratorical contest, devoting the rest of his days toward improving his delivery. As the story goes, he has a splendid broadcasting station, but lacks a receiving device. He's like the Toonerville radio station that needed material for a broadcasting program and so filled out with a phonograph."

I brought up the subject of radicalism in America.

"The American, everyday, you-and-I citizen is a workman and a saver," Ding replied. "He wants to get ahead and wants his boys and girls to keep on going ahead. And they do, the great majority of them. Look over the



Here we find Mr. Darling at work in his studio in Des Moines. When the New York Tribune added him to its staff, he went to New York to live, but after a few weeks he returned to the old homestead in Iowa, where, he says, he can keep the right perspective of what the American people are doing and what they are saying.

© ERING WALLGWAY



© M. T. HERALD-TRIBUNE

Occasionally Ding dolls Congress up in feminine attire—with beard intact

men you know in the big jobs. How many of them made their own way? Almost all of them.

"Here's Herbert Hoover, the foremost economist of the generation, and successful in business; he worked his way through school. And there are no end of others like him. This country was made for them—here's one place where the simple and the pure in heart surely inherit the earth. The American workman—the

you-and-I class—has become an investor.

"Where are you going to plant radicalism among people like that in a land like this? A very small group of loud-lunged orators can give a great impression of multitude.

"Oh, I don't see everything through rose-colored glasses, not by any means. Sometimes things seem black, and just about that time the people turn out and elect a Coolidge, a man who never made a play for popularity, never yelled a speech. Then I cheer up and realize we are getting somewhere.

"And I don't subscribe to the idea so often proposed that we have a poor lot of officials, city, state or national. Our old Uncle Sam strikes me as trying to do his best for his children—often puzzled and not quite sure of his next step, but making an earnest effort. All of our public men are doing just that and some of them fail.

"The farmer? I come from a farm state and I don't think the farmer is asking the Government to take him under its wing. He does want legislation that will help him to help himself and they'd better give it to him before he forms

himself into a political division. Let the law makers and business men think that over. To control his own market is the answer to the farmer's troubles and the Government makes a mistake when it does not concentrate on assisting him toward that end in every way possible. He may lose his patience if put off too long, and then look out!

"Sooner or later these various groups will discover that prosperity in one group is not possible without a like prosperity in the others; then we will all get along better."

Darling denies vehemently that he can draw, insisting that he is not an artist. The only reason he uses pictures rather than words to express his ideas, he says, is that it is easier for the reader. When he draws Mr. Coolidge, he expresses Mr. Coolidge as he knows him,

an earnest, modest, hard-working man, who knows he has a big job and means to attend to it. Not a spectacular note in him; even when he swings on the budget with a forty pound maul he acts

promptly and effectively, but without any preliminary words, grand gestures, or statuary posing. It's a chore that must be gotten out of the way and he does it.

In Mr. Coolidge's expression Darling depicts the New England mind—willing to listen and open to conviction—but with a definite opinion already established. Like the Aberdeen trader, "Everything being equal, I'll give my brother the preference, but not one cent for the privilege."

"It's easy to be cheerful in commenting upon social and economic conditions in a country like this," said Mr. Darling. "About 99 per cent of the people are decent, clean, God-fearing people whose ambition is to be good citizens and who want to have and deserve the respect and friendship of their neighbors. For their families no sacrifice is too great, and I often wonder whether the children don't accept it too much as a matter of course.

"There is no fundamental difference between the business man, the farmer and the workman. All average about the same in origin and in their hopes and ideals. Perhaps the American's great desire to get ahead sometimes tends to develop a selfishness, the I-have-troubles-of-my-own spirit. Which, in my opinion, is neither good economics, nor good morals."



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Ding has a Coolidge for every Coolidge mood. This is the smiling, docile Cal



Ding knows the farmer and the farmer's problems. And because we chuckle when we "read" we don't forget

## A World Meeting of Business

By J. C. QUINN

Manager, American Section, International Chamber of Commerce

I WAS TRYING to interest a friend of mine, the president of a small bank in the Middle West, in the International Chamber of Commerce and its forthcoming meeting in Brussels. He was distinctly frigid.

"Why should I join?" he continued. "It's all right for the fellows on the Atlantic Seaboard and those who have large dealings with Europe. They are directly interested. My bank has only an occasional bit of European business and," he added ruefully, "the last bit we did was disastrous."

Then he went on to tell me:

"We had a joint account of a man and his wife. They went back to Germany on a visit. We got a check from them for \$4,000, asking us to forward a draft to Berlin. The man's signature was all right, but the wife's was doubtful. So we thought we were pretty clever when we sent a check on a Berlin bank made out to him and his wife. We thought the Berlin bank would get the two signatures

and everything would be lovely. But we discovered, too late, that under the German law a man can sign for his wife—which he did. So his wife sued us and we're stuck."

That was easy—the ice visibly thawed as I told him that the International Chamber had been working on just that problem, the unification of laws governing the check, trying to obviate or reduce just such difficulties as had soured him on European business. This problem will come before the Brussels meeting of the Chamber in June in the report of an International Committee, of which Judge Thomas B. Paton, General Counsel of the American Bankers' Association, is the American member.

And the work of the International Chamber doesn't end with lip-service and resolutions. Once the principles are agreed upon each National Committee sets to work to secure adoption of the essential legislation in each country to make the principle effective.

My friend from the Middle West is typical. He couldn't see the International Chamber in relation to his own business. The great difficulty is to persuade the average business man of this country that the work of the International Chamber has more than a remote interest to him. The man in Kankakee can't see it—except in spots.

But take just one bit of the work of the International Chamber—its publication of definitions of trade terms. Realizing the inconvenience, and worse, resulting from the different interpretations given to shipping terms and quotations, the International Chamber made a careful codification and definition of the exact significance of the terms used in international transportation and sale contracts.

If an American house has this document there will be no more foreign contracts made in ignorance of the trade terms of the country of the purchaser. The point is that this is of

particular importance to the small manufacturer who does only an occasional bit of European business. The manufacturer in Kankakee or Kalamazoo will not sell his goods to a European purchaser C.I.F. and find out too late that he and his customer use the same term but talk a different language.

How direct the relation is between the work of the International Chamber and American business is perhaps best shown in a review of the program of its Third General Congress to be held in Brussels June 21-27, 1925.

### Protection of Property

THE International Committee on "The Protection of Industrial Property"—of which Judge Edwin B. Parker, Umpire of the German American Mixed Claims Commission, is the American member—will present propositions which if adopted by the Brussels Congress will express the opinion of the International Chamber as to the improvements which are to be made in the Convention for the Protection of Industrial Property, to be considered at a conference of representatives of 32 countries at The Hague in October, 1925. As this international convention deals with patents, trade-marks, designs, unfair competition, etc., its vital importance to American manufacturers is obvious. The manufacturer who has had his product imitated or his trade-mark pirated in some far country of the world knows this and knows, too, that in this question the American manufacturer has the greatest stake of any in the world.

The subject of "Improvements in the System of Enforcing Foreign Judgments" will also come before the Brussels meeting. This is of particular importance to all firms doing international business. The small manufacturer who has tried to enforce a judgment against a foreign creditor doesn't have to be told that it's a real problem in which he has a real concern.

Under the Transportation Group will come the subject of "Motor Transportation and Highway Development." The American interest in this subject is patent; the discussion will bring before the Europeans the importance of motor transportation in economic restoration and development.

We regard the motor car as an economic factor of first importance. Others are prone to regard it as a pleasant and expensive luxury. Our experience has justified our view and we are going to try to tell the others why. An American committee, under the chairmanship of Mr. Roy D. Chapin, chairman of the board of the Hudson Motor Car Company, Detroit, is preparing a complete and exhaustive report of American development and experience.

### Maritime Transport

THE Maritime Transport Division at Brussels will have a number of subjects before it of importance to American shippers and shipping interests. Every American shipper has a direct interest in The Hague Rules, dealing with uniform Bills of Lading and in the York-Antwerp Rules dealing with general average in loss of cargo. Mr. H. H. Raymond, president of the Clyde Steamship Company, is the chairman of the American Committee to which is entrusted the American participation in this work.

The question of Double Taxation will be reported on by a Standing Committee of the Chamber.

The subject of Commercial Aviation will be discussed with a view to considering what action can be taken by the Chamber to further it.

These are a few of the subjects which will

come before the meeting at Brussels. They touch problems which are of direct concern to American business and they attempt solutions of these problems by securing the combined experience and judgment of the leading business men of the great commercial nations of the world.

These problems are of real importance in international business but they are, in large part, technical problems. While the International Chamber is doing an effective piece of work in this field it has not held itself entirely to this type of endeavor. Realizing that larger and more general problems still await solution and still impede a full recovery from the devastating effects of the war, the International Chamber has attempted to aid in a solution.

The success of its endeavor in this larger field has been marked. The Rome meeting of the International Chamber in 1923 made a real contribution to the solution of the Reparations problem. In this connection it is interesting to quote from a statement by Dr. Walter Leaf, chairman of the Westminster Bank, Ltd., one of the "Big Five" of British finance. Dr. Leaf said:

I should like to call your attention for a moment to the organization which is grappling with this thorny question of international economics. The International Chamber of Commerce is a young body, only five years old, but it has a good record behind it, and is destined, I feel sure, to better that record. The question of European reconstruction was debated at the Congress in Rome in March, 1923, and long and earnest discussions at that meeting led to the unanimous passing of a resolution which may, I believe, be regarded as the parent of the Dawes Committee, and which laid down, as the basis of reconstruction, the principles which were adopted in the Dawes Report.

### Dawes Plan Problems

THE Dawes Plan is now in operation, but there still remain important problems to be solved, problems which involve the economic welfare of the world. The principal attention of the Brussels meeting will be directed to those which press for early solution. Here is the principal problem stripped of technicalities and refinements.

When the Dawes Plan is in full operation Germany will be required to pay some \$625,000,000 annually on account of reparations. This amount will be paid by Germany to the account of the Agent General for Reparations in marks in Germany. How are these payments within Germany in marks to be transferred out of Germany, without upsetting the German budget and currency and without producing harmful effects in other countries?

Payment in gold is out of the question. Payment in goods is inevitable. It is unnecessary to labor the point that payment in goods will necessitate export of German goods, not only to the countries receiving reparations but to all the markets of the world. The sums realized by the sale of these goods will establish foreign balances. These foreign balances will be increased by the income from German investments abroad and by payments for German shipping and other services.

Part of this total will have to be used by Germany to purchase raw materials, food and other essential imports. The remainder will be available to the reparations receiving countries, in exchange for mark payments accumulated to their account within Germany. If this remainder, however, is not large enough to liquidate all the mark accumulations within Germany, how can these mark payments within Germany be converted into payments

in currencies acceptable to the creditor countries? This is one phase of the problem before the Brussels Congress.

The operation in foreign exchange by the Transfer Committee will be on a large scale, unprecedented in magnitude. Beyond this, the effect of exchange operations in connection with the payments in the liquidation of the war debts needs careful study in the interest of the citizens of both the creditor and debtor countries. This brings up another phase of the problem. Can practicable means be suggested for effecting the transfer of reparations and other payments without upsetting exchanges and currency or injecting an instability which would constitute a serious menace to international business?

### Continuity of Effort

THE MAGNITUDE and import of these questions which will come before the Brussels meeting is obvious. Equally obvious is America's interest and concern in the solution.

The preparation for the examination of these questions at Brussels has been entrusted to the Committee on Economic Restoration of the International Chamber, under the chairmanship of Mr. Fred I. Kent, vice-president of the Bankers Trust Company of New York. The report of this Committee, a complete and exhaustive survey of the problems, will form the basis of discussion at the meeting.

Two of the American members and several of the European members of this committee were members of the Dawes Commission. Thus we have a continuity of effort in the solution of world economic problems. The Rome meeting of the International Chamber helped pave the way for the Dawes Report. Leading members of the International Chamber were on the commission that gave the Dawes Report to an eager and grateful world and now these same men are working to make the Brussels meeting productive of a real contribution to the solution of the remaining problems. To this solution will be brought the considered and competent judgment of the business men of the world assembled in conference.

The International Chamber is an international business men's organization. It offers unique opportunities for the solution of economic problems by business men, free from interference and control. It attempts to handle these economic problems as they should be handled, by a frank exchange and accommodation of view, and the suggestion of a solution which has not only vision but practicability. When it voices its conclusions regarding these problems it speaks in a language which the average man can understand, holding close to a declaration of principle. And these declarations are based on facts and realities, not on political or other expediency.

### Forty Nations in Membership

PERHAPS the greatest tribute to the need of such an organization and the effectiveness with which it has worked is the fact that since its inception at the Trade Congress in Atlantic City in 1919, when representatives of Great Britain, Belgium, France and Italy, came here, at the invitation of American business men, it has grown to a world organization representing in its membership some 40 nations and assembling in its councils the combined judgment of the best minds in the international business world.

The bringing into being of the International Chamber of Commerce and the steady and rapid growth that it has made is a recognition of the fact that no single nation or people can prosper alone.

# The NATION'S BUSINESS

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MERLE THORPE, Editor

Washington

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## Government Training for Cows

**G**OVERNMENT exists for the purpose of keeping the peace, for the purpose of compelling us to settle our disputes by arbitration instead of settling them by blows, for the purpose of compelling us to supply our wants by industry instead of supplying them by rapine. This is the only operation for which the machinery of government is peculiarly adapted, the only operation which wise governments ever propose to themselves as their chief object."

Macauley wrote this in 1831. How little that distinguished historian knew about the functions of government and how much he would have learned if he had lived another century! He would have discovered among other things that a function of government is to prevent cows from eating garlic, and he could have learned that by reading Department of Agriculture Bulletin 1326.

He would have learned also that the way to prevent cows from eating garlic is not to give cows garlic to eat; and if that statement seems far-fetched, we quote from the Department of Agriculture:

"The only practical way to prevent the appearance of this flavor and odor in milk in regions where the weed infests pastures is to keep the cows from eating the plant."

## Canada's Commerce Wants a Single Voice

**T**HE SAME need that led to the formation of the United States Chamber of Commerce is being felt in Canada. That country is learning that business must think and act nationally and as a unit. The movement took shape recently in a letter sent by the president of the Toronto Board of Trade to the presidents of boards of trade and chambers of commerce in every other city in Canada. In that letter he said:

"With this end in view this board is endeavoring to foster a get-together plan amongst the various boards of trade of the Dominion. It is felt that possibly by a series of addresses delivered in various parts of the country by men of independent thought and acknowledged ability, the ground-work may be formed for expert investigation of certain national problems from which it may be found that all provinces could agree on certain fundamentals connected with the economic life of this country."

It is interesting to compare this statement with the following from the letter sent to President Taft by organizations which proposed to form the United States Chamber of Commerce:

"It should provide a national clearing house for the development and expression of business opinion and to insure united action upon questions of common interest to every part of the country."

## Forgotten but Not Gone

**O**NE OF the common bits of advice to the small investor is to choose a place for his money where he can "put it away and forget it." The vast number who, following this course, buy sound securities and hold them tenaciously, maintain a broad and stable market.

There is an even greater number of those who would rather

trust a bank. One of the oddities of finance is the enormous amount of the funds lying unclaimed in banks. In New York banks alone there is more than \$5,000,000 that seems to belong to nobody. Not that there aren't people who want it and try to get it. The law requires that deposits unclaimed for twenty years must be advertised. The publicity always brings a swarm of inquirers, many of them frauds. A sailor named James Sullivan had accumulated a large sum in a savings bank and had never come back to get it. When this was advertised, 142 hopefuls came forward, but none of them was able to prove his right to the money.

The Guaranty Trust Company has \$21,511 deposited by one A. Roux, who was lost when the *Titanic* sank. His heirs cannot be found, although the bank has had to fight several fraudulent claims in the courts.

All of which is pretty good testimony to the year-in and year-out vigilance with which our banks guard the property not only of their stockholders but of their depositors.

## City Ownership Run Mad

**C**ARL D. THOMPSON, Secretary of the Public Ownership League of America, has written a book on "Public Ownership." We had only read the index when we were halted by this list of functions undertaken by cities in one part or another of the world:

- Municipal Fuel Yards
- Municipal Ice Plants
- Municipal Street Paving and Repair Plants
- Municipal Printing
- Abattoirs
- Public Recreation
- Municipal Baths
- Municipal Markets
- Municipal Telephones
- Municipal Heating
- Municipal Laundries
- Ferries
- Municipal Milk Supply
- Funeral Management
- Housing
- Public and Municipal Ownership of Land

## From Small and Smaller Towns

**R**OCHESTER, MINN., has a population of 28,014; but from the standpoint of surgery, it is a world capital. Ludlow, Vt., has a population of 1,732, yet it has just furnished the United States an attorney-general.

Whatever the moral is, you may draw it yourself.

## Fashion, Feathers and Farms

**T**HE FARMERS of South Africa are on their knees before Dame Fashion. Yes, and they are ostrich farmers, too, to whom once—but yesterday, it was—Fashion's minions offered both cash and cajolery if only plumes might be forthcoming for their mistress.

Plumes long and twisting; plumes "willowing" in the breeze; plumes short, fat and curly; little "tips"—ah, little ostrich "tips"!

But lately—well, twenty years ago—every lady of quality wore a hat laden with plumes, every woman of lesser pretensions affected "feathers," and the poorest female in the land greedily accepted ostrich "tips." Then there were the dowagers who, borne up by bulgy "boas," sailed more securely the social seas.

Where are they now?

"Yes, where!" screams the ostrich, and the ostrich trader echoes "Where?"

Instead of mourning over the dead past, however, the South African farmer has gone to work with zeal to produce a future

for the feather crop. Working upon the feelings of the High Commissioner, the farmer at length triumphed: A luncheon "in honour of the ostrich" was given by the Commissioner in London recently, at which every creation in ostrich, from fans to fantasies, was on display, fashion was called names—such as "stupid," "barbarous," "graceless," and the like—and the great Ostrich enjoyed himself hugely and had no need to hide his head.

A plea was made for the return of plumes to popularity, on the argument that otherwise the farmers in South Africa will starve. The value of their annual feather export is said to have diminished by £2,000,000, in spite of the recent vogue of feather trimming for frocks and evening wraps, which may yet save the trade.

Whether Dame Fashion will respond to a patriotic appeal is doubtful. The lady calls every country hers—and what chance has patriotism in a state of good-will? She is queen in her own right, too, and recognizes followers but no dictators. A little diplomacy might save the farmers, however, or the mediation of the crossword puzzle, which has already dragged from oblivion the emu, the moa, and the fabulous roc.

### A British Union Sees a Light

COAL comes in for much discussion these days, not only in the United States but abroad. Just as there is a Jacksonville agreement on wages in the United States so there is a national wage agreement in England, and England has its unemployed miners, and miners working in a state of chronic short time.

The depression in the British coal trade, a British union official says, is of most direct interest to the miners. He declares

for consolidation of mining companies and a period of three or four years without labor controversy.

Meanwhile, the German mines have shown great recovery during 1924. They are now turning out more coal than in 1913. In the Ruhr, miners are said to have been earning about 8 marks, or \$2 00 a day, against a British wage scale of around \$2.50.

### Looking Back at Eighty

HERE'S an editorial written by A. B. Farquhar, who died the other day at the age of 86. It's in the last chapter of his autobiography, and it sums up life as he saw it after he had passed the four-score mark:

And now, in conclusion, what does it all mean? What have these years taught me? Nothing of a startling nature—the incidents fade—but these principles remain:

1. That it is, as a rule, safe to trust human beings. Comparatively few are unfair, if you are fair yourself.
  2. That troubles and apparent difficulties are but stepping-stones to progress—the most practical way of learning—and, as Greeley said, "The way to resume is to resume."
  3. That there is nothing that will take the place of work, either to gain success or to gain happiness or to gain both—and I think it is possible to gain both if, in the striving and working for success, the dollar is not put above the man.
  4. That one can and must keep faith with oneself.
  5. That God is not mocked. You cannot break his laws without suffering.
  6. That one's only dangerous enemy is oneself. In the ultimate no one can hurt you but yourself.
  7. That friends are among the greatest assets—and the way to get friends is to be a friend.
  8. That one should never seek anything for which one does not give value. This avoids the disposition to speculate—which is one of the greatest dangers that beset the business man.
- Following these rules, the world grows in interest and life is happier with gathering years.

## SENATE UNITED STATES

PUBLIC DOCUMENT—FREE

### HEARINGS ON MUSCLE SHOALS BEFORE THE COMMITTEE ON AGRICULTURE AND FORESTRY

#### HOW ONTARIO DOES IT

Statement by JUDSON KING, Director National Popular Government League, Washington, D. C., May 21, 1924

#### ANSWERS TO QUESTIONS

"Yes; the Ontario system is highly profitable to its owners as we shall presently see."

"No; not a single man has paid a cent of taxes on account of this system. On the contrary, it has lowered taxes."

"No; it was not set up by Socialists or radicals, but was started and put over by manufacturers, financiers, and business men. Such legislation as was necessary was passed by a conservative government with Sir James Whitney, conservative premier, from 1905 to 1914."

"No; it was not inspired by sentimentalism. It was a cold-blooded business proposition, done for selfish reasons and cash in hand. Incidentally, it has benefited the farmers and the working people more than all the 'uplift' chatter, conferences, investigations, academic articles, and pious hopes we have witnessed in the United States for a quarter of a century."

"No; results obtained in Ontario are not due to Niagara River. The cost of generating a kilowatt of electricity in a modern power station driven by coal is 5 or 6 mills. By water power, 2 or 3 mills. See the remarkable article inclosed on 'Giant power,' by Governor Plachot. That does not account for customers paying 10 cents in American cities as against 2 cents in Ontario cities."



*R. Morris*  
*Brenneman and Morris*  
*Herald*  
*Colusa*  
*Calif*

Speaking in the Senate on March 18, Senator Norris said that the publishers of the NATION'S BUSINESS were "using it (S. S. Wyer's article in the February number) for propaganda purposes." Mr. Wyer was writing on government ownership of power plants in Ontario. Here is Senator Norris's system, a franked envelope mailed

in California to spread a statement favoring government ownership by the director of the National Popular Government League.

When the NATION'S BUSINESS is sent, full postage paid, to its paying subscribers, that is "propaganda." Senator Norris's franked matter on the other side of the question, is, we assume, "educational."

THE NATION'S BUSINESS



# Industry Gets the Wanderlust

By ALFRED PEARCE DENNIS

*Member of United States Tariff Commission*

Illustrations by V. E. Pyles

SOME FOUR or five years ago a great British jam and pickle concern moved its factories out of London 150 miles northward. The experiment was not a success, and the company forthwith moved back to London at a loss of a good many million dollars.

"What do you make out of it?" queried an English friend.

I did not know what to make of it then or now, but I conjecture that the jam people were neither pulled nor pushed out of London but undertook the moving venture simply as an experiment. It takes an enormous economic pull or push to justify the migration of an industry.

## Story of Settling Down

THE STORY of civilization is the story of settling down. Primitive occupations such as hunting, fishing and herding animals are nomadic, but as men develop culturally up through pastoral and agricultural to industrial organization life habits become static—men become anchored to tilled fields, work benches, shops and exchanges.

The Kentucky mountaineer moves his domicile by throwing a gourdful of water on the fire and calling the dogs. For the citizen of Main Street home-moving is a painful and laborious process—crating furniture, re-papering walls, matching joints in the kitchen stove pipe.

Now two forces have come into operation in our own time which tend to reverse the tendencies of thousands of years. One of these forces is individual locomotion for the millions. The automobile furnishes at once cheap, swift and abundant individual transportation. It represents the greatest step in individual transportation since cattle were first yoked on the plains of Mesopotamia.

The second great factor is the transfer of energy over distance. The device of sending power any distance, even from one side of a city to another, is an amazing thing when one thinks about it. Undreamed-of industrial mobility lies ahead of us through electrical transmission. In Fall River, Massachusetts,

the massive old cotton mills sit squatlike upon the banks of the stream from which their power was originally drawn. The modern mills, lofty structures of glass, concrete and steel—craving sun, air and space—rise in the open country.

Are we headed back towards nomadic conditions? Is business becoming more and more like fishing, a matter of heaving up the anchor and moving to better grounds when the fish slack off biting?

Our great industries have from the beginning been tethered to their plants of brick, steel, glass and stone as the living oyster is attached to its inert shell. Industry rooted in the soil of its locality and dependent upon the water.

Water furnished our early textile and grist mills with power. Water brought to their thresholds raw material. Water transported their finished goods to the far ends of the earth.

Then there was the magnetic attraction of the ocean's rim. Our earliest industries clung to the Atlantic seaboard, where came inbound cargoes of raw material and outbound cargoes of manufactured stuffs for lands beyond the sea. From colonial times our industries skirting the rim of the Atlantic ocean had but one way to move, and that way was westward. Homer speaks of the ocean as the "estranging main," but Homer wrote as a poet rather than as an economist, for commercially the sea unites. It humanizes and enriches humanity.

It is clear enough why our stream of agricultural population moved westward. Cheaper lands continually beckoned. Many migratory farmers turned out to be long-headed speculators in land. Wealth came to them not so much from cropping the soil but from the appreciation in land values. But industry was something different. It clung like a limpet to the Atlantic seaboard.

Consequently the center of population has moved westward faster than the center of manufactures. While the latter has moved to northern and central Ohio, the former is about crossing the Indiana line into southern Illinois.

The pull and the push—these forces are in-

Modern mills rise in the open country as the center of industry races westward to catch up with the center of population

tangible, immaterial, but operate as inexorably as the forces which determine the movement of a glacier.

Will somebody analyse the conditions under which the shopping district of New York creeps continually northward?

What is the magnetic principle in Akron which draws to this center the rubber industry of the country?

What lies behind the concentration of the furniture business in Grand Rapids?

Why should the cotton-textile business creep southward while the boot-and-shoe industry branches out westward?

The answer is a matter of discovering the invisible propulsive power. Along with the concentration of industry in centers, such as the collar business in Troy, New York, and the kid tanning industry in Wilmington, Delaware, there is the reverse process of decentralization of industry. The great cities are disgorging industries whose concentration has been the work of generations. Books and periodicals published in New York are now being printed in Long Island, New England, or even west of the Alleghenies. The influence here is the squeeze of contracted quarters, higher rentals, excessive overheads, perhaps a flight from the exactions of organized labor, the suction exerted by cheaper labor.

## Pull Is Toward Earth

NOTHING stands still under the pull and push, the squeeze and suction of the powerful, invisible forces which determine the movement of industry. The movement of any body in a given direction is a result of many forces. A baseball shot over the batsman's plate follows a course determined by the push of the pitcher's arm, the twist of the pitcher's fingers, and the pull of gravity. A ball spinning in its trajectory is deflected from a tangent. No matter what initial force lies behind it, it is inevitably drawn to the earth's surface.

Likewise in industry, the fundamental pull is to the earth, that is, to the locality of the existing plant. But certain countervailing forces are always in operation. The labor pull, the raw material pull, the distribution pull, the transportation pull.

Illustrations from modern industry representing any one of these influences or a combination of them come crowding in. Our tanning industry from its early beginnings was associated with the plentiful supplies of oak and hemlock tan bark to be found in the State of Pennsylvania. The industry de-

veloped amid congenial labor and raw material surroundings, but the pull away from Pennsylvania grows stronger and stronger every day.

Since the war more conscientious thought has been put on the leather industry than in any other like period in its history. The raw stuffs of the industry are two, first animal hides and second tanning materials. The sole leather hides of the country are produced in the west. Hides and skins are a by-product of the meat business concentrated in the northern Mississippi Valley. Tanning material is associated with hemlock, chestnut and oak forests. With the depletion of our hardwood eastern forests through chestnut blight and the lumberman's axe, the westward pull of hides is becoming relatively stronger than the eastern pull of tan bark.

Another thing, the chemical tannages are beginning to revolutionize the upper leather industry. Upper leather is now tanned by the chrome process which shortens the time from months into days, reducing the overhead and capital investment enormously. The glazed kid and the varied-colored high-priced leathers are the achievements of the last few years. So of suede leather which is taking the place of fabric material in the making of women's shoes. All this means a change in labor costs and raw materials.

### Tanning, Too, Changes

**FURTHER**, the industry has obtained increased mobility through the concentration of tan bark into more portable extracts. The quebracho brought from Latin America for tanning purposes no longer comes in the log but in the form of concentrated extract. With these revolutions going on in the tanning industry may we not anticipate a progressive movement westward? A great trade in boots and shoes is developing with Far Eastern peoples. These peoples have no prejudice against our darker tanned leathers, consequently imported tanning materials such as sumac and quebracho may readily furnish the raw material for tanning establishments set up on the Pacific Coast.

One may discern a movement of the boot-and-shoe industry from New England westward. In the State of Massachusetts is concentrated fully one-third of the boot-and-shoe establishments of the entire country. But boot-and-shoe factories have sprung up in recent years to the number of fifty-four in the State of Missouri. The pull westward is based on marketing considerations. From the standpoint of marketing, an establishment in St. Louis enjoys a less competitive selling radius than an establishment in Massachusetts or New Hampshire.

The boot-and-shoe business is less dependent upon hereditary New England labor than it was a generation ago. It is becoming less and less a handicraft and more and more a machine product. The old time shoemaker was a skilled worker—his craft was hereditary. Men living today can remember when they were measured for footwear by the village shoemaker, who did every bit of work on a pair of shoes with his own hands. Today a shoe is built by hundreds of different operators who feed pieces of leather into machines. This lengthens the labor tether of the shoe manufacturer.

The southward creep of the cotton-textile business is worth analyzing. Measured in terms of quantity rather than quality, the center of gravity of the world's cotton-spinning industry has already passed from old England to New England, and is now visibly passing from New England to our southern states. The 36,000,000 spindles in the United

States are turning out about twice the weight of cotton yarn produced by 157,000,000 spindles in Great Britain. With a surplus of skilled hereditary labor and better climatic conditions the British mills concentrate on the spinning of fine counts.

These conditions are somewhat reversed in the American industry. Here labor is more of a factor than in Lancashire. Precisely the same forces are now in operation as between our New England and southern mills, labor being cheaper and more plentiful in the south. This means that the New England mills must either concentrate more and more on fine counts or else equalize the labor differential by establishing mills in the south for spinning the coarser yarns. At the beginning of the century who would have prophesied that within twenty-five years the southern cotton mills would be splitting about 50-50 with the New England mills in the number of spindles and would be consuming more than twice the amount of cotton? While the New England mills are fairly holding their own when it comes to quality, they are losing ground in the fabrication of the coarser fabrics. Hence it has become a matter of moving southward in order to survive.

Along with this major migration southward we may detect a minor migratory movement from the city to the country. Modern mills, particularly in the south, have elbowed their way out of the cities into the suburbs. This means that the new mills are forming the nuclei of village communities run on a patriarchal system under which the mill owner keeps his labor content in rustic surroundings by providing community schools, moving pictures, gardens and other reliefs from the tedium and isolation imposed upon dwellers in the country.

### Weevil Moves Cotton

**FURTHER**, it is interesting to note that the growing of cotton is moving northward and westward. The driving force here is a beetle that has done more to revolutionize the social and economic order than any insect since the days when the plague of lice and flies challenged the peace and power of the despotic King of Egypt. The boll weevil, a beetle of about the bigness of an ordinary house-fly, has practically destroyed our fine sea-island cotton grown along our southeastern Atlantic littoral, and cotton-growing is becoming more and more concentrated in either the dryer or the colder regions of the south.

Cotton-planting is being based more and more upon the principle of finding localities that are uncongenial to the boll weevil. The center of cotton production in the south within a few years has practically crossed the State of Mississippi from its eastern to its western boundary and is now steadily creeping northward. A slight step is thus being taken on the part of raw material to join hands with the southward and westward movement of the cotton mills.

We have in this country a great number of industries which follow in the train of agriculture. We have learned the secret of industrializing agriculture. The Serbians with every natural advantage for raising hogs have never succeeded in industrializing their hog industry. Scientific packing plants, refrigerator cars—these are things they know nothing about. We take our raw foods as they come from the earth, transform them, concentrate them and distribute them in portable form all over the world. Our patented breakfast foods, our canned vegetables, tinned meats, condensed milk, preserved fruits, meat packing, soap making, conversion of corn into starch and glucose—all these things represent a short

coupling as between agriculture and industry. Hitched up along with it all are the industries which provide agriculture with its tools, great industrial establishments in Illinois, Ohio, Wisconsin, California, turning out agricultural implements.

It is a rather striking fact that our agricultural center has moved westward more rapidly than our population center, and the population center in turn more rapidly than the industrial center. The center of population has moved steadily westward with little or no deflection north or south from the 39th parallel of latitude. One hundred and thirty years ago the center of population was at Baltimore; by 1920 it had marched to southwestern Indiana. In the past four decades the center of agriculture has shifted from Washington County, Indiana, to Perry County, Illinois, representing a westward migration of 272 miles with a dip southward of 54 miles.

### Westward March of Three

**IN THE** same period the manufacturing center has moved from western Pennsylvania to Logan County, Ohio, with a westward march of about 200 miles and a southern slant of around 25 miles. Will the industrial center of the country ever succeed in catching up with the population center, and will both in time overtake the agricultural center?

One may hazard an intelligent guess that this is just about the thing which is bound to happen. The march of agriculture creates in this country a sort of vacuum into which is inevitably sucked both population and industry. Industry has always lagged behind the march of agriculture because of the attraction of the sea and the physical attachment of old and established plants to what might be called the old homestead.

New forces are now beginning to operate. Industrialism grows apace on the Pacific coast. The question is seriously mooted as to whether in years to come the Pacific rather than the Atlantic may not become the chief theater of our foreign-trade operations, just as with the westward march of civilization the Mediterranean gave place to the Atlantic stage in the commerce of the world. And what about the progressive march of agriculture westward?

Here is the opinion of an expert who was discussing the matter with the writer the other day:

Like all prophecies, one man's intelligent guess is about as good as another's. It looks to me as if our agriculture in its march westward is in the position of a football player who, after successive advances, is about to be stopped in his tracks if not thrown back for an actual loss. Both wheat and cattle raising are essentially frontier industries. Properly speaking, we no longer have any western frontier. With the disappearance of the frontier we are at a competitive disadvantage with such frontier countries as Canada and the Argentine. Wheat is now being profitably grown within the Arctic Circle. We have no great reserves of virgin wheat lands to be put under the plow. Our virgin lands having been overcropped, our average yields per acre are now considerably lower than the Canadian averages. It is the same with cattle. We are approaching the limit in the expansion of cheap grazing areas. We are therefore beaten in this game by Argentina. In beef we are down to a purely domestic basis and no longer cut any important figure on the export side. Unless we invoke tariff protection Argentine beef will no doubt be underselling American beef in our own markets within the next ten years.

Another thing, we have to think of our expansion of farm areas not only in terms of land but in terms of water. We can bring an empire of western arid land into cultivation

through irrigation but we shall not be using much common sense if it costs more to produce irrigated crops than we can possibly get out of them.

We have the problem of making water do its full agricultural duty, but few people correctly estimate the amount of water which is required to convert arid wastes into flowering fields. To grow one pound of wheat requires water not by the pound but by the ton. Experts reckon that it takes about 6,800 tons of water to grow the food required to support a human being in this country for one year. Now the total rainfall for the entire country, if used in the best and most efficient way, would enable us to cultivate probably not more than one-half of our land area.

### Lines of Intension

OUR agricultural development, therefore, lies along the lines of intension rather than extension and we may expect to see this process, along with the building of good roads, worked out to a relatively greater degree in the states east than in the states west of the Mississippi River.

Enthusiasts, figuring on our capacity to increase our population by the hundreds of millions, point to the fact that the Nile valley supports through agriculture alone a population of over 1,000 to the square mile. My friend Montgomery, chief of the Foodstuffs Division of the Department of Commerce, points out that the cultivated crops of Japan are produced on an area about 69 per cent of the area of cultivated crops in the State of Illinois. Yet on this area Japan produces enough to feed 41,000,000 people. We have twenty times the total land area but only twice the population of Japan.

As foods are utilized in the United States at present we grow sufficient to feed 120,000,000 people. If our foods were utilized as economically as in Germany we could probably feed 100,000,000 more; if our foods were utilized as they are in Japan we have sufficient for a population of 350,000,000 people.

It is a question of standards of living. Our people, accustomed to the good things of this life, an abundance of sugar, meat, animal fats, are not captivated with the idea of doing a day's work on a bit of fish and a cup of boiled rice. Of our vegetable food products the United

States utilizes only 26 per cent as human food, while Germany utilizes 70 per cent and Japan 94 per cent.

If, according to the above line of argument, the westward movement of agriculture is to receive a check, we may reasonably expect to see our industrial center catch up with our agricultural center. Moreover, we may look to see a further deflection toward the south with a quickening of agricultural development in that region. Good roads are contributing to this along with the high prices of cotton and tobacco and tourist development in Florida. Having pressed to the uttermost limb of our western frontier areas, we are discovering new frontiers in some of our oldest estates.

Modern industrialism is the creature not of muscular effort but of brain-directed machines. For mechanical power we depend primarily upon the latent energy of coal, oil and falling water. Electricity is the despatch agent through which released energy is distributed. Sweden, Italy and Switzerland are rich in water power but lack coal. England possesses coal but no water power. Holland is short of both coal and water power. The United States possesses enormous reserves of each.

Sweden and Italy have developed about one-fourth of their potential water power, Switzerland about 80 per cent, Russia about one-half of one per cent. Our North American continent has about one-fourth of the world's supply of oil, nearly two-thirds the coal and about one-sixth the potential water power. The center of these sources of power lies west of the Mississippi River; that of coal in western Nebraska, that of oil in southeastern Colorado, with the water-power center in central Wyoming.

### Steel Industry Reaches Out

THE STEEL industry branches fan-like from its original locus convenient to the coal and oil deposits of western Pennsylvania. It branches out northwest to meet eastbound iron ores from Lake Superior. It moves southward to climb astride the coal, iron ore and limestone deposits of Alabama. The Birmingham mills, already sitting fairly atop the basic raw materials for pig-iron manufacture, have another string to their bow in the vast potential power of the Tennessee River.

On the side of power distribution we are practicing economics through tying electrical stations together. The development of superpower

systems means a step toward the establishment of industrial operations in small towns whose housing conditions are better and where crowding can be avoided. All this has a social as well as economic import. Electricity is said to have destroyed the home circle which formerly grouped itself around the coal-oil lamp. Young folk now desert their homes for the well-lighted streets, moving pictures, and brightly illuminated shops. As a compensation on the social side electricity may wipe out the slum evil.

It would be tedious to multiply illustrations. The inertia habit, the early advantage of proximity to tidewater, the physical attachment of masonry and machinery to location, all exercise a powerful restraining influence upon the westward migration of industry. Industrially the Atlantic region produces 52 per cent, the Mississippi River Valley 41 per cent, the Pacific Coast and mountain states 7 per cent of the national output, but the objective of our economic development is westward and southward.

### Craving for Elbow Room

FURNITURE factories, glass foundries, machine shops, meat-packing plants, reaching westward in the first place for their raw material, are now confirmed in their position by the westward trend of population and the strategic advantage in marketing position. Further, new industries have sprung up in the train of broad-scale agriculture. No prosperous section of the country can long remain exclusively pastoral or agricultural.

Again we are learning that, while the modern factory may best thrive in urban surroundings, a point is reached when this advantage passes over to its opposite. Overhead costs, the craving for elbow room, the burden of labor difficulties, all work toward decentralization. The spread of manufacturing to the west and south tends to obliterate old lines of cleavage as between occupations and interests.

The old political idea of a solid south was based essentially on the idea of economic solidarity. The base of the economic pyramid was the cultivation of corn and cotton. The infiltration of industries into agricultural communities is a matter of far-reaching social and political import. Sectional lines are thus becoming blurred and better harmony established between jarring, conflicting interests. Thus public questions may be considered from a broad national standpoint rather than from a sectional angle.





PHOTO BY COURTESY SAFE-CABINET CO., MARIETTA, OHIO.

No honest business man has ever won in a bout with a fire. The best he can get is a draw. Statistics of business failures following fires prove this.

## Assets or Ashes After the Fire?

By RAYMOND C. WILLOUGHBY

**IS YOUR fire insurance insured?**

That's a burning question every business man may have to answer. To collect insurance, the loss must be proved, and the quickest proof is in the records of the business. Adjustments are made, of course, when the records are destroyed, but the settlement then becomes a matter for agreed estimates, rather than for proof by records. But even though the measurable loss is compensated by payment under a policy, no insurance can protect a business from the consequential losses that proceed from the destruction of records—the destruction of the productive system and routine that make "business as usual."

Too many useful business enterprises go up in smoke every year, and too many of these going concerns stop going because their records are ready fuel for flames. In every city and in every town blackened ruins stand as reproachful sepulchres of business. Gaunt and stark, the ravaged walls are grim reminders that firemen sometimes come too late. On those seared walls is written the shameful indictment that Americans seem to build mostly to burn.

In the last fifty years, 1875 to 1925, the

**WASTE** is an evil thing. Waste that can be prevented is doubly evil. The nation's fire bill is more than half a billion a year, and more than half of that is preventable by means within our reach.

Witness the Chamber's fire prevention contest, with its record of cities which have cut losses. In this article we set forth some of the things other than actual property that disappear in fire. And from time to time we shall drive away at other preventable fire wastes.

annual property loss from fire has risen from \$78,102,285 to approximately \$500,000,000. The aggregates in the intervening years show a continual increase through 1923, with a slight decrease for 1924. No one knows the value of the intangibles lost—the value of the things that cannot be appraised. But the known property destruction is still large enough to be appalling, still large enough to suggest that something should be done about it.

Half a billion dollars! What vast enterprises could be served with that mighty sum! What debts could be paid! What comforts

and conveniences could be provided for mankind!

Of course something is being done. Important progress has been made toward the prevention of fire and protection from fire. But it does seem that only the burned business man dreads a fire. Reports assembled by the Safe Cabinet Company of Marietta, Ohio, from credit histories compiled by R. G. Dun & Company, on one hundred concerns—selected at random to show the effect of loss of records by fire—disclose:

43% of the concerns did not resume business.

14% lost from 30 to 67 per cent of their credit standing.

17% discontinued credit reports.

26% lost no credit, but lost in other ways.

Those figures say that fire is a bad break for the business that loses its records—a loss that may break up the business or break down its credit. A baptism of fire can change the records to assets, or to ashes without benefit of fire insurance, for it is a condition of the standard fire policies, imposed by the legislatures of the various states, that they shall not cover "accounts, bills, currency, deeds, evidences of debt, money, notes or securities, nor

unless specifically named herein in writing, bullion, manuscripts, mechanical drawings, dies or patterns." The value of the evidence provided by records is so problematical that they are not insurable as such, although their cost of production (that is, the books themselves, blank, and clerical labor devoted to them) may be.

The men who make and use the records in the course of business may know whether or not they are replaceable and at what cost, but no one can foretell the loss in operating the business during their replacement—the business is then as handicapped as a man without a memory.

Interest in the protection of records has gone beyond individual concern. Large groups of business men, organized in trade associations, have given thought to the problem and reported their views. Among these associations are the National Electric Light Association, the Railway Fire Prevention Association, and the National Fire Protection Association, an association of associations. Their deliberations have included protection by duplication, by vaults, by safes and by cabinets.

The interest of the associations named is representative of the increasing appreciation of the importance of business records in verifying claims for insurance. For the terms of the standard fire policy fixed by the various legislatures require the policyholder to "make a complete inventory of the damaged and undamaged property, stating the quantity and costs of each article, and the amount claimed thereon; and, the insured shall, within sixty days after the fire, unless such time is extended in writing by this company, render to this company a proof of loss."

Also, the policyholder "shall produce for examination all books of accounts, bills, invoices, and other vouchers, or certified copies thereof, if originals be lost, at such reasonable time and place as may be designated by this company or its representative."

The words being those of the legislatures naturally savor of the jargon of the court room and the law office, but their meaning should be indelibly impressed on the mind of every business man. Shorn of the formalities of their expression, the requirements come down to this simple fact: If there are no records to fix the loss, payment of insurance must wait for other means to appraise the loss.

### Saving Records a Business

**ADJUSTMENT** cannot be prompt unless the records are safe.

To make office records safe for business men has become a business in itself. Protection is now provided by means of fire-resistant safes, vaults, and cabinets for original records and the keeping of duplicate records in a place not exposed to the same fire hazard as the originals.

But when is a safe safe? Are vaults and cabinets sure to meet the emergency by which a business may stand or fall?

The answer to these questions lies in the field of engineering study and investigation. Laboratories for testing protective devices for records are now maintained by manufacturers

of the devices and by the National Board of Underwriters. These laboratories make available to users of the devices the best obtainable information on the performance of protective devices when exposed to fire.

Standards and testing procedure vary with different laboratories, but the practices of the Underwriters Laboratories of Chicago are illustrative. The safes submitted by the manufacturers for tests are safes that are in quantity production at the factories. Preliminary tests are made by engineers to determine the behavior of a safe under rough handling.

That test survived, the so-called "explosion" test is made. Papers and books are put in the safe, which is then placed in a boxlike wooden structure in an open field. This struc-

ture in all the tests conforms to a definite standard, and the requirements are readily obtainable by all manufacturers.

Safes that have passed the fiery furnace test undergo further trials in the "drop" test. In this test a safe is heated for an hour, hoisted 30 feet and dropped on an uneven pile of bricks, which simulate the debris of a fire, allowed to cool, turned upside down and again heated for an hour, allowed to cool inside the closed furnace and then opened to determine the condition of the contents.

### Thousands for Laboratories

**ALL** laboratories do not conform to these standards. The trend has been and is continually toward higher standards and increasingly severe tests. But the outline of the procedure for testing safes does

illustrate the thoroughness of the investigative methods and indicates that definite plans are applied with a view to obtaining exact results which will give business men advance information on the emergency qualities of protective equipment.

In the record protection industry, as in other industries where industrial research has played a great part in modern development, great credit is due the progressive manufacturers who have spent and are spending vast amounts of money for the trained abilities of scientists and the most modern facilities for research.

It may be that some businesses have developed their records to superfluity—their forms are so many and various that they defeat the purpose of their design. And there are records that outlive their usefulness, and then are withdrawn for orderly destruction. But no matter how simple and how few the records, there are some that are basically important to the operation of the business.

Every business man should know the records that are essential to his business life, and those records should be so safeguarded from fire that they will be intact and useful were their containers to be dug from the ruins of a flame-raised building.

Perhaps the pyramids of Egypt are the only structures that give dependable assurance of preserving their contents. But modern

business buildings must have doors and windows, shafts and stairways for the convenience of the workers, and these openings and passages raise their own problems of fire protection. The problem of protecting office records is not solved by sealing the records in an inaccessible crypt under a monumental pile of stones. Protection must be provided at the place of use.

No honest business man has ever won a bout with fire. A draw is the best he can get. No business man will know exactly how much he can lose until he loses his business records. Neither will the insurance company, and that lack of information will delay the adjustment. Protect your records and they will protect your business.



PHOTO BY COURTESY SAFE-CABINET CO., MARIETTA, OHIO

In the old days, when a business house burned, the boss anxiously exhorted the firemen to "save the books." Nowadays firemen could not carry the "books" out of any considerable business

ture is then filled with kindling wood and excelsior.

On the mass of combustibles are poured 30 gallons of kerosene, and a match is applied. In fifteen minutes the temperature rises to 1,700 degrees. If the safe develops explosive interior gases, the doors of the safe may be blown off or the walls may bulge. When the safe cools the contents are examined.

After the "explosion" test comes the "fire endurance" test. Another safe, with a new set of documents, is placed in a gas furnace fitted with devices for controlling and measuring temperatures within the furnace and within the safe. The temperatures conform to a control curve which requires temperatures approximating those of actual fires. To pass the supreme test, the interior of the safe must not show a maximum reading of 300 degrees. At the end of the test, the gas is shut off, the furnace cools for 24 hours, and the safe is dragged out for another examination of its contents.

The severity of the tests depends on the service for which the safe is intended, but the

# Spending \$1.75 to Take in \$1

*There's the Problem Some Railroads Face, and Here's How Some of Them Are Meeting It*

By ROBERT S. HENRY

**T**HE BOSTON & MAINE, operating 2,287 miles of railroad in northern New England, proposes to abandon a thousand miles of its branch lines.

For ten years there have been occasional abandonments of light traffic branches, and a considerable number of small independent railroads have gone out of business and have been torn up. Nothing, though, has so strikingly called public attention to the situation of the railroad branch line as this proposed wholesale scrapping.

It is to be assumed that the abandonment will be opposed before the various public regulatory bodies concerned, but it is difficult to see what else is to be done. The lines concerned, with 45 per cent of the company's mileage, carry but 3 per cent of its traffic.

The increasing drag of the thousand miles of line that cannot earn actual operating expenses has undoubtedly weakened the whole B. & M. system, and, if continued long enough, must eventually impair the ability of this highly necessary road adequately to serve its people.

The situation is not peculiar to the Boston & Maine. The same forces are at work to greater or less degree on almost every railroad, except the few fortunate ones which are almost without light traffic branches.

It requires but little foresight to see that the building of branch railroad lines is about at an end. The money that railroads spend for improvements hereafter must be used to enlarge the capacity and increase the economies of the lines of heavier traffic. Extension of railroads has been succeeded by a more intensive development of existing lines.

## Face Motor Competition

**W**HAT factors are bringing about such results, and what their effect may be, become matters of interest. Latest, most obvious and most picturesque of these factors is motor competition.

But to ascribe entirely to motor competition the demise of certain branch-line railroads is not altogether unlike ascribing the death of a patient suffering from pernicious anaemia, a haemophilia and a boil on the neck to the complaint last named. Doubtless the boil made the patient's last hours more uncomfortable and hastened the end, but the end was inevitable.

And so it is with many a branch line. It could do a wholesale transportation business, if the business were there to do. Instead it has to do a little retail hauling with a machine whose expenses cannot be geared down to that sort of work.

There are branch lines where there is one freight train a day each way, and that one hauling not more than a fourth of what it could. Right of way for that branch cost about as much as main line right of way;

**T**HE Boston & Maine Railroad startled the country some time ago by announcing that it would like to get rid of some 1,000 of its 2,500 miles of track, explaining that 40 per cent of its mileage brought in only about 3 per cent of its revenue in 1923.

Here's a little table of revenue and expenses of some branch lines of the Boston & Maine:

Branch Lines	Miles	Revenues	Expenses	Losses
Nashua & Acton.....	24	\$1,526	\$57,472	\$55,946
Tewksbury Lines.....	9	.....	.....	26,140
Newburyport.....	30	109,300	215,600	106,300
Lawrence.....	15	25,200	110,300	85,100
South Reading.....	8	22,400	61,300	38,900
North Ware.....	23	85,300	122,800	37,500
Manchester-Milford.....	18	5,900	46,100	40,200
New Boston.....	5	2,900	20,800	17,900
Keene.....	30	61,400	146,600	85,200
Peterborough.....	11	45,000	66,000	21,000
Belmont.....	4	1,200	13,400	12,200
Bethlehem.....	3	3,260	12,930	9,670
	180	\$363,386	\$873,302	\$536,056

Graphic proof of how a blood-sucking railroad can rob the public!

grading cost nearly as much; cross-ties cost about as much and rot out about as quickly; stations and structures need paint about as often.

In short, with comparatively little additional expense that branch, instead of moving one quarter-loaded train a day, could move ten full-loaded ones if the traffic were offered, and do it at a ton-mile cost of perhaps a fiftieth or a hundredth of its present cost.

Now it so happens that it is our policy in the United States that the man who uses the railroads shall pay the entire cost of the transportation service he buys. This is not true of shippers or travelers by highway or by waterway, who pay little more than the cost of the actual movement of the freight or of themselves, most other expenses being borne by subsidy from the general treasury.

Railroad rates, then, have had to be made high enough to cover all the costs of railroad transportation. In the early days these costs were low, so far as labor, fuel, supplies and the like went. As time passed these items have increased enormously.

The increase has been met by applying the methods of quantity production, handling more tons in bigger cars, hauling more cars with more powerful locomotives on better tracks—in short, meeting the increased cost by higher efficiency and greater production rather than by increase in rates.

But this method could be applied only where there was a sufficient density of traffic. Without that the economies that have made it possible for the main lines of the American railroads to make a living, charging the lowest rates in the world and paying the highest wages, could not have been realized. And on the branches there isn't any such traffic.

The railroads have long recognized, though, that few branches paid their way and none were in any sense profitable, even as "feeders," but the obligation of public service made it necessary to continue their operation. They were the best transportation available, and for the handling of carload and bulk freight, such as products of mines and quarries or forest products, will doubtless remain the best.

The financial difficulties of their operation, gradually increasing as costs rose, were intensified by the passage of the Adamson Act in 1916. Before that time branch-line train crews had been paid on a different basis from main-line crews, on most roads. The spread of hours before overtime began was usually greater, the overtime pay amounted to less, and even the basic rate of pay was somewhat below the main-line standard.

All that is changed. Hour for hour and mile for mile, the branch-line crew draws the same pay as those on the main line; ton for ton and passenger for passenger, they draw more. The crew of the little dinky train standing at the junction waiting for the limited to sail grandly past may be making more in a month than the men handling the "pride of the road."

Time was when the higher operating costs of the branch lines were reflected to some extent in the rates charged. Rate adjustments on a system-wide or territory-wide scale, with mileage as a predominant factor, have about wiped that out. Mile for mile and ton for ton, branch-line rates are now pretty well in line with main lines, regardless of cost of operation.

## Revenues Feel the Effect

**H**ERE we have the patient already suffering from high operating costs and undernourishment, and getting worse, when the new factor of bus and truck competition enters the field. It is a real factor, even if not the basic cause of the branch line's troubles.

Revenues feel the effect of the competition keenly; operating costs, for reasons that will be shown, hardly at all.

Motor competition will continue. The common-carrier motor has a place to fill in the transportation scheme, and no one wants to prevent it from filling it. There are many who feel that the present state of the business is not wholesome; that its services, schedules, rates, etc., should be under public regulation, as are those of rail carriers; and that it should pay for the use of the public highways something comparable with what it costs the railroads to build and keep up their tracks.

This might produce two results: a determination of the real cost of handling freight by rail and by highway, with a resulting choice

of the cheaper, and a stabilization of highway service which would make possible the scrapping of branch lines without injury to the communities served.

That, though, is in the future. Just now railroad managements are faced with the unpleasant fact that the bus and the truck are cutting heavily into the already too thin revenues of their branches and that there is no way to make corresponding cuts in expenses.

The Pere Marquette in 1913 handled 5,666,058 passengers. In 1923 it handled 2,441,140, less than half as many. Its passenger-train mileage was reduced from 3,737,958 to 3,301,793, a cut of but 13 per cent. In the same period its less-than-carload freight fell to but little more than half its former value.

It is a fact that train service cannot be cut beyond a certain minimum, even though public regulatory bodies might permit. And if it could, it would be no real remedy. Taking off trains on a railroad does not stop expenses.

#### Enlarging Capacity No Remedy

**I**T CUTS them down, of course, but so long as a railroad is in existence and in use, more than half its expenses go on whether it runs one train a day or fifty, whether its trains run full or empty. This constant part of a railroad's expenses corresponds to the part that is so largely borne by the taxpayers in other systems of common-carrier transportation.

Enlarging the capacity and thereby increasing the efficiency of the branch lines is no remedy either. Most of them now have more capacity than they can find use for, and must operate at reduced efficiency because of the lack of traffic.

The rail motor car, widely acclaimed as a sort of panacea for branch-line ills, is really more of a palliative. It can help in the passenger service where it makes possible improved schedules at a reduced cost of operation, and has sometimes brought about an increase in revenues. It is of no help in the freight service.

Many branch lines were built—or bought—as feeders. It would seem that some of them have reversed the process and that nothing keeps them alive but the fact that they are able to draw sustenance from the larger

systems of which they form only a part.

There are several hundred railroads in the United States which from the standpoint of traffic density are the equivalent of branch lines but are not parts of large systems. These are the so-called "short lines," most of which were built into new territory too late to be absorbed into the large systems back in the days when branch-line operating costs were less and revenues more, comparatively speaking, than they are now.

#### The Short Line Problem

**S**OME of these short lines are profitable, many more manage to get by, a considerable percentage live on the ragged edge, and not a few have had to give up the struggle within the past few years.

That any considerable number of them survive is due largely to the fact that they are not operated according to trunk-line practice. Wages are usually somewhat less, in keeping with lesser strain and responsibilities, perhaps, and rates are somewhat more per mile. In other words, operating conditions are nearer what they were on the branches of the trunk lines before 1916.

Again, many of the "short lines" are in territory where they are not yet completely paralleled by paved highways open to the free use of a competitor. Where they are so paralleled the results are shockingly painful to the short line—about as much so as the results of a similar situation are to an electric interurban line. The electric interurban, after all, is a sort of passenger-carrying short line, with no wholesale transportation to sell. Paralleling busses usually leave the interurban the low-rate commuters to haul, taking the higher-fare cash passengers for themselves.

The result of that sort of competition is inevitable. It becomes largely a question of how long the rail line can stand the punishment.

Another factor in the continued existence of some of the independent short lines is that the people along them realize what it is to be without a railroad and, knowing that the short lines are weak, are solicitous for their health and continued life.

This fact, and the recognition of it by the rate-making bodies, has resulted in such lines getting relief from the operation of the long

and short haul clause of the Interstate Commerce Act to a considerable extent. Under prevailing rate systems they are frequently allowed to charge one scale of rates to their local points, at the same time meeting the lower scale of the trunk lines at competitive junction points.

The action of the Boston & Maine, though, may be an indication of the future fate of many, many branch lines. There is an alternative, of course, to complete abandonment. That would be a separation of the unprofitable branch from the main lines, leaving it as an independent short line, in which state it might continue to exist and serve, with preferential treatment. That seems to be what the Boston & Maine has done with one of its Vermont subsidiaries.

Some years ago the Southern Railway controlled two roads which were in effect branch lines, although owned and operated by separate corporations. Both roads were unprofitable.

#### Unequaled in Freight

**O**NE of them, the Macon & Birmingham, which seemed to have no possibilities of successful operation, was abandoned entirely. The other, known as the Southern Railway in Mississippi, has been reorganized as the Columbus & Greenville and continues in service as an independent road, apparently with reasonable success.

Of course, where the unprofitable branch is an integral corporate part of a system, such simple solutions may not be possible.

Railroads will continue their development as wholesale carriers of mass transportation, hauling heavy freight long distances and handling long-distance passengers—if the airships don't get them after a while. Nothing has yet been found, nor is there anything in sight, that can compare with the railroad in this work.

Studies of the engineering school at Iowa State College show that motor-truck transportation costs more than 11 cents per ton per mile, without considering the cost of building and maintaining the roads the truck runs over. This is ten times the average railroad rate per ton per mile.

For handling package freight comparatively short distances, the motor truck can render a



Steel rails at so much per foot, rusting in the rain; ties, carefully bought, warping in the sun; an expensive road bed, crumbling in disuse; tall weeds hiding as best they can the abandonment of property and investment. For it is cheaper to let the whole thing rot than to spend \$1.75 trying to take in \$1, says Mr. Henry, who is a railroad man.

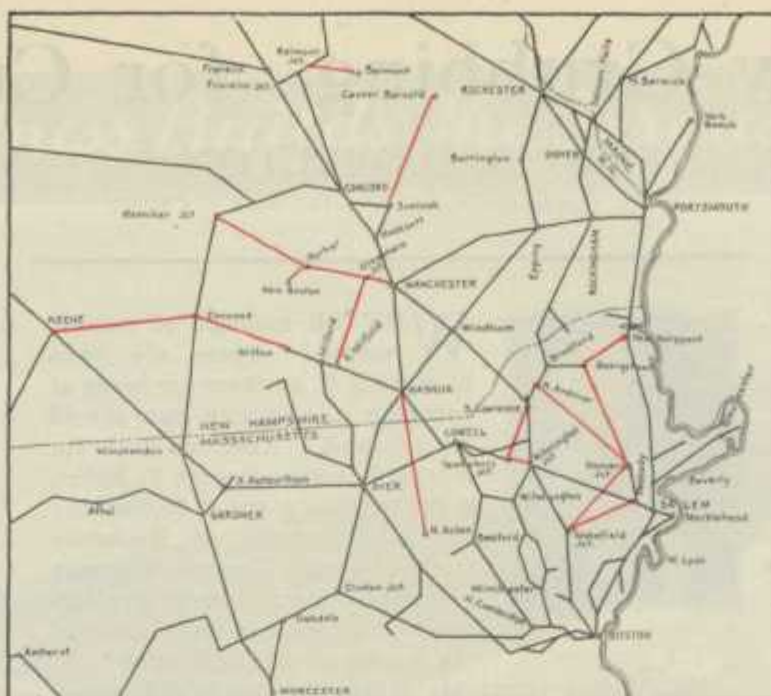
worth-while service. It can save hauls to and from railroad terminals, and also the railroad's terminal costs, which average about 30 cents a hundred pounds.

Even if truck rates should be made to cover the real cost of the handling, including a fair share of the highway cost, the truck would still constitute a cheap and convenient method of transportation for short-haul, less-than-carload business.

It is proposed on many sides that the railroads go into this trucking business for themselves. It may be done. Some of them, such as the Pennsylvania, seem to be meeting with considerable success in substituting truck service for local freight-train service.

That all of them are alive to the possibilities and are watching developments is assured. In spite of the assumptions of that school of doctrinaire writers who tell us that railroad managements are "stupidly inefficient," they really do know something about their own business.

If truck service offers an opportunity adequately to serve



Red lines are roads that the Boston & Maine would like to get rid of at once, roads that cost far more to operate than the revenues they bring in. Yet what of the communities they serve? That's the problem that the railroads face. If a department store couldn't make a profit selling shoes, it would not necessarily have to sell shoes. But a railroad has a duty to the public which it cannot evade if it would.

their patrons and enables them to get rid of unproductive operations, they are pretty liable to adopt truck service.

It is a matter that cannot be settled by large and sweeping assumptions. Each situation must be studied. There are many cases where there is not enough business to support a rail line, let alone both a rail and a highway transport line.

But if the bus and the truck can do the service better and more cheaply, regardless of who operates them, it is reasonable to believe that they will capture the business. If so, it is but fair that the railroad should be allowed to cut its loss by discontinuing its line.

To scrap a railroad line that cost real money to build must be a painful operation, but an even more painful one is to keep on operating it when it costs a dollar and seventy-five cents to take in a dollar. That is what the railroads have done on a good many branches for several years. Perhaps the motor way of moving business may make it possible to end the agony.

## A Referendum on Tax Questions

THREE recommendations related to estate taxes, and the coordination of national and state taxation systems, made by the advisory committee for the Finance Department, have been ordered submitted to referendum by the Board of Directors of the Chamber of Commerce of the United States. This referendum is designated Referendum No. 46.

The recommendations are:

1. That the Federal Government should always refrain from imposing estate or inheritance taxes.
2. That the estate tax now levied by the Federal Government should be repealed.
3. That there should be an organization of representatives of the states and of the Federal Government to coordinate national and state systems of taxation.

No official action regarding Federal estate taxes, or on the question of coordinating the national and state taxation systems, has been taken by the Chamber, the committee's report explains, but the Chamber is already on record by resolution as favoring the creation of a joint Congressional Committee to consider generally the subject of national taxation. The committee did not attempt to define the method for putting its third recommendation into effect, for

it seems wiser simply to state the principle and then authorize the executive officers of the United States Chamber to take advantage of any opportunity that may offer as a means of effectuating most promptly and completely the principle stated, should it be approved by referendum vote.

Two memoranda, one discussing the question of estate taxes and the reasons for submitting the first two recommendations to referendum, and the other discussing the question of coordinating national and state taxation and the reasons for submitting the third recommendation to a vote, are attached to the committee's report. With regard to es-

tate taxes, the Advisory Committee reported that

death taxes have, by an unbroken series of precedents, been recognized as exclusively a field for state taxation except in time of war emergency; that at present state taxes on inheritance and estates are numerous and burdensome; that death taxes form a very appreciable portion of the current revenues of many of the states and that the states cannot be expected to forego this source of income; that death dues levied by the United States Government assure multiple taxation of estates and still further confuse a situation which is already chaotic due to the conflict of state laws;

and further,

that estate or inheritance taxes are peculiarly unadapted for emergency purposes, that it has been deemed necessary or advisable for the Federal Government to resort to peculiarly obnoxious means in order to prevent the evasion of the national inheritance tax, that the income from death taxes levied by the United States Government has never formed more than an insignificant portion of the total ordinary revenues of that government; that income from estate taxes is no longer necessary in order to balance the national budget; that estate taxes, as a permanent feature of our national taxation scheme, have been condemned by the President of the United States and by the National Tax Association, an impartial expert body;

and that

at no previous time in the history of the National Government has it levied death taxes over a period exceeding eight years; that unless the Federal estate taxes are repealed in the immediate future, there is a probability that they will be accepted as a permanent source of national income.

With these findings in mind, the committee concluded that the national estate taxes should not be imposed and those now existing should be abolished. Immediate action is advisable, it believed, in order that by continued use the

national estate taxes may not come to be regarded as a part of the permanent scheme of national taxation.

Summarizing its findings with regard to national and state taxation systems, the committee reported that

the present unsatisfactory tax situation, because of the confusion of state laws, results in multiple taxation; the taxation by the United States and the state governments of the same income or sources of income still further aggravates the unsatisfactory conditions; there appears little possibility of any permanent improvement of conditions unless there is some coordinating influence both between the states themselves and between the states and the United States Government; and since there is now no existing organization for securing the required cooperation, it seems both advisable and necessary to perfect some organization composed of representatives of both the National and State Governments to consider the entire question of the inequities and burdens caused by the unsystematic tax laws of the country.

The members of the Advisory Committee for the Finance Department are:

Fred I. Kent, chairman, vice-president and director, Bankers Trust Company, New York; Arthur Andersen, of Arthur Andersen & Company, accountants, Chicago; E. L. Carpenter, president, Shevlin, Carpenter & Clarke Company, Minneapolis; Fred R. Fairchild, professor of economics, Yale University; W. F. Gephart, vice-president, First National Bank, St. Louis; Walter W. Head, president, Omaha National Bank, Omaha; Charles A. Hirsch, president, Fifth-Third National Bank, Cincinnati; Felix M. McWhirter, president, Peoples State Bank, Indianapolis; Roy C. Osgood, vice-president, First Trust and Savings Bank, Chicago; Lewis E. Pierson, chairman of the board, Irving Bank-Columbia Trust Company, New York; John J. Raskob, vice-president, E. I. duPont de Nemours Company; Owen D. Young, chairman of the board, General Electric Company, New York.

# Money Grubbing—for Culture

By A. D. WELTON

*Of the Continental and Commercial Bank of Chicago*

**A**RE WE a nation of dollar chasers?

My instinct is to answer: Yes, why not?

What is dollar chasing?

There is one answer and that in one word:

*Business.*

To this oracular reply nothing need be added by way of illumination if business were accepted academically as well as practically for just what it is. What is called business—production, commerce, trade and finance—engages the serious attention of nearly all the people of the United States. Those not directly so engaged are indirectly concerned. There may be some detached, unconcerned persons but they come within the classification of Blackstone's "routabouts and such as walk in the night and sleep in the day, haunt customable taverns and ale houses and no man knows whence they come nor whither they go."

Nothing so conclusively demonstrates that this is a democratic country as the fact that business claims all of us. It may be that we have overreached. It may be that we have made a business of some things that are not or should not be made business.

## Running a Church Is Business

**P**REACHING may not be a business, but running a church is. A college president needs to be as much business man as educator and failure in the latter field will be less noticed than in the former. There may be poets and painters starving in attics, but not if they know how to market their wares or to find someone who does. Painters find remunerative employment in illustrating advertisements and the world is the better for having poets sing the praises of special brands of soap or sausage.

In a democratic country business is the thing; business does not permit fixed classes. It cannot survive if there is denial of equality of opportunity.

Is this rule by business desirable? Probably.

Here comes the flood of accusations that we are gross materialists, devoid of the refinements that come only from intense interest in the artistic, the spiritual, the intangible, the ineffable or whatever the antonym of material is.

Americans desire things. Their desire for things, according to many Europeans who have surveyed what they call our mad rush, is intense, passionate, consuming. The fact that they have more things than any other people anywhere or any time exerts no deterrent force. The demand and desire for more burns white hot and constantly. None has gained renown because he has made two blades grow where one grew before—that is too commonplace. To win passing fame one must grow the two blades and they must be better and cheaper grown at a point whence they can be got readily to market and sold at a profit.

Of course the pursuit of things has been



A. D. Welton

Mr. Welton starts his article like a "sordid money grubber" but he winds it up an impassioned idealist.

**W**HY BE ashamed of making money? There are ways of making it, as there are ways of spending it, of which men should be ashamed. Need we fear for Harvard because George F. Baker, a banker, has given it \$5,000,000? Is the University of Rochester worse because George Eastman made the camera a means of pleasure to millions and gave some of the money to that institution?

successful. It is difficult to find a field or department in which the American pursuit of things has failed.

More railroad lines and better than elsewhere? To be sure. Railroads are needed to carry things and to carry people to points where things may be seen and purchased and people see and buy them.

The statisticians will tell you that there are more telephones in New York than in Great Britain and nearly as many in Boston as in London. They will tell you how many more bath tubs there are in Chicago than on the entire continent of Europe; how much more electricity is consumed in Michigan than in China and India. They will give you much more comparative, interesting and useless information about kitchen sinks, gas stoves, washing machines and a striking list of other back-saving and muscle-softening evidences of our inventiveness stimulated by our passion for things.

## Standard of Living

**T**HE THINGS are by no means useless. They may have traveled the steep grade whose stations are Dispensable, Comfort and Luxury. Long ago the luxuries passed out of existence and became necessities. The things are of great variety. They include about everything that goes to make up the generality known as the Standard of Living. The Standard of Living is the average of these things commonly enjoyed; but it probably does not include theaters, music, art, literature, parks, boulevards and similar enterprises.

The things we have in abundance, compared with other peoples, may be enumerated under such titles as clothing, food, shelter, house furnishings, modern heating systems, bathrooms, gas stoves, washing and ironing machines, hot and cold running water, refrigerators and automobiles.

Under the classification of public utility conveniences come gas and electricity, water, paved streets and highways, motor busses, electric lines, general transportation facilities, telephones and constant development and diversification of the entire group, especially machine equipment, domestic and industrial.

No other nation has so much. England is far along in its standards, compared to other old-world countries; but England is a laggard in comparison with the United States.

It may be interesting comment that the English with all their trading habits and all their democratic ways are still frankly an aristocratic people. Their social system is one of caste. The Labor Party may be on the right track but it is not yet powerful enough to break the shackles of caste. And when they are broken a long time must elapse before there emerges that equality of opportunity upon which democracy must be built.

In England higher education is for the few. Everything that involves the enjoyment of culture is for the elect. The idleness made possible by large or moderate possessions is a desirable state. Trade is a blighting activity to be performed by the middle classes. Things are for the rich and the lucky. The standard of living is not the American standard and those who may have the equivalent of the latter, are limited by the absence of things in abundance. What things? Any compilation of those enumerated as commonly available in this country.

## China Needs More

**T**HE FURTHER one travels from the realm of the Anglo-Saxon, the greater the limitation on things. In China, whose civilization is the most ancient, the caste system is steel bound and things are meager. Occidental inventories of Oriental demands invariably disclose wonderful opportunities for trade because of the enormous vacuum that might be filled by things.

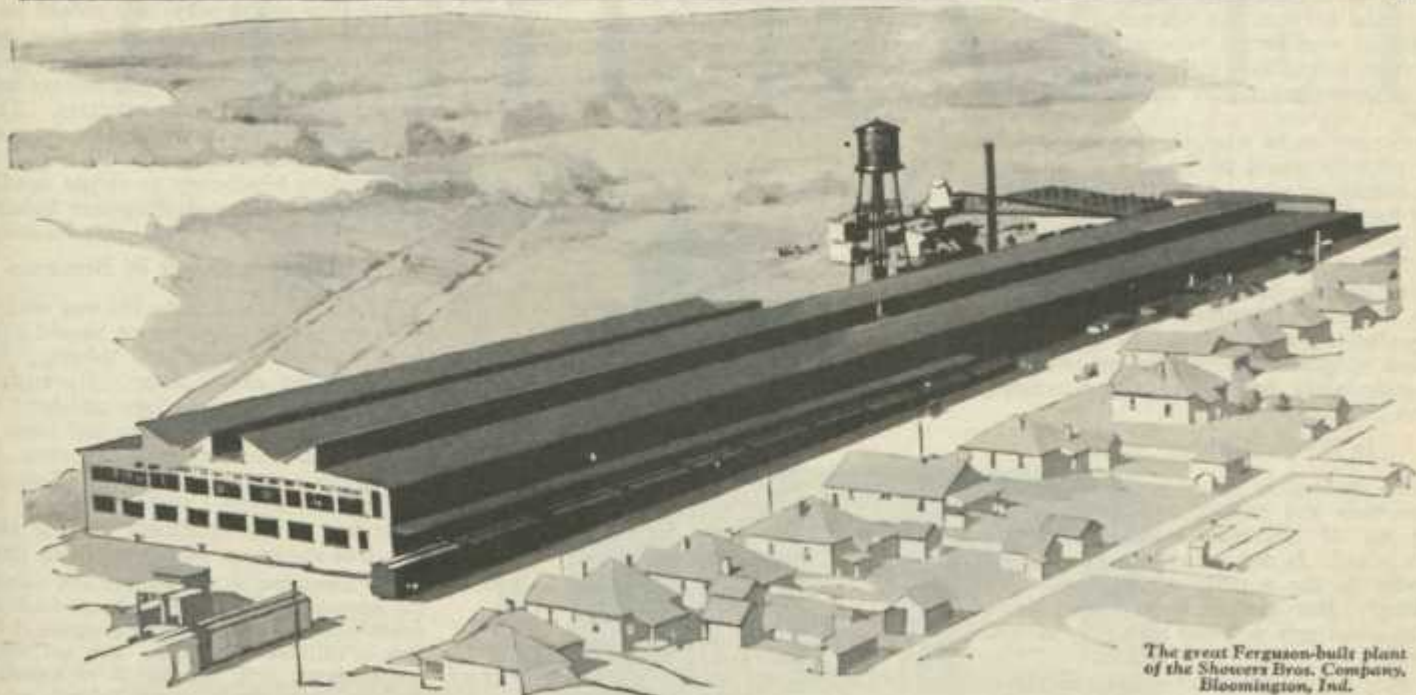
But in relation to the opportunities progress in China has been scant and slow. China has not been won away from its traditions. Its artisans do not ride to work in motor cars. Its housewives do not cook with gas. Electric lights are for the cities and the public places. Telephones—there are less than 10,000 in all China. Water systems are present but more are needed and a bath calls for more preparation than a public function.

The point is not that China does not have all the things that China needs or desires. It may be just as well off without the multiplicity of things which America must have. But neither England, China, nor any other country, has America's wealth or America's national income. The wealth and the income are the products of the insatiable demand for things.

Industrialism in America, the universal engagement in business enterprises, is both cause and effect of the increasing clamor for more conveniences. From the demand comes the activity. From the activity comes profit, and from success comes the capacity for still further indulgences.

Mr. Hoover said recently that there is opportunity to raise the American standard of living 25 per cent. That definite 25 per cent must have been a guess. Why not 40 or 50

## Big Business Builds The Ferguson Way



The great Ferguson-built plant of the Showers Bros. Company, Bloomington, Ind.

### "I didn't want anybody experimenting on our plant"

W. Edward Showers, President of Showers Bros. Company, largest manufacturer of household furniture in America.

"SIX YEARS AGO you did your first job for us. You got the contract because you had already built for some of the country's best factories, and I didn't want anybody experimenting on our plant. You got our next job because you did the first one right—your plans and prices were right."

So writes Mr. Showers. The fine building pictured here is one of five that The H. K. Ferguson Co. has designed and built for him. The sixth is now under way.

Like the others, it is being worked out by careful cooperation between the owner and builder—on a background of Ferguson's accumulated experience and good horse sense in plant development.

When Ferguson does your building you deal with one concern, strike one bargain, pay one profit. You get a binding, written guarantee covering correctness of design, construction work, exact delivery date and total cost.

This is the way big business is building today—the General Electric Company, Procter & Gamble, Liggett & Myers, the National Cash Register Company and other great institutions. It's the way you can build, no matter where you are located or what type of industrial building you require. You, too, can save time, money and trouble by discussing your construction program with Ferguson.

If you are considering building, by all means write or wire for a Ferguson executive. At any rate, you should have "The Picture Book of a New Profession." It will tell you how Ferguson works from start to finish. It will give you a brand new idea of the speed and economy with which you can build. Write for a copy on your letterhead.

#### THE H. K. FERGUSON COMPANY

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# Ferguson

## GUARANTEED BUILDINGS

per cent? Has the saturation point appeared on the horizon? The national income has increased from 30.5 billions in 1910 to 67.7 billions in 1919, by estimate of *The Annalist*. The National Bureau of Economic Research shows an increase during the same period from 31.2 billions to 66.8. The 1923 estimate has been given by another authority as 57.7 billions and 1924 as 53.6 billions of dollars.

National wealth has increased correspondingly from 186 billions in 1912 to 320 billions in 1922, according to the Bureau of Census Report.

Predictions as to what the future holds in these respects would be futile. A prophecy made twenty years ago of what is reality now would have brought smiles of derision.

In summary the demand for the production of things, supplemented by figures showing the vast increase in income and in wealth, brings eloquent confirmation of the first statement—that business drives us on, that we are a nation of dollar chasers, that we are probably materialists because of our consuming interest in things.

### Is It "Soul Shrinking"?

IS OUR interest in things justified? Is the possession and enjoyment of this astonishing list of conveniences bought at too high a price? Is dollar chasing—the general surrender to the appeals of business—soul-shrinking? Has culture been beaten down and the seven arts withered among us in consequence?

Or, does culture follow commerce and grow with it and because of it? What are the spiritual, cultural, artistic, literary products of dollar chasing?

Charges of the blighting influences of trade are constant and persistent. Two of these, sufficient for purposes of illustration, may be picked out of the current flow.

One writer, reporting rather than commenting on the development of schools of commerce and business administration, says:

The language of the professor of humanities as he contemplates the commerce curriculum is as lurid as a life of scholarship permits. His dismay is natural. Business is the subject of universal disapprobation among humanists. Whatsoever things are mean, whatsoever things are low, whatsoever things are incontinently selfish and piratical, for all those things business and the trading classes have stood in the European imagination since the Middle Ages. Humanism, culture, gets its definition by contrast with commerce and industry. Whatever the necessities of the business community, so this argument would run, there can be no compromise between trade and the life of the spirit. The two are incompatible. The period of education which youth is allowed for the cultivation of its mind cannot be shared with apprenticeship for trade because the two cannot be mixed.

A fair enough statement of the case as it probably exists in the narrow minds of the humanists. The business mind, however, is broader. It allots to the humanists all the encouragement and sympathy needed but without surrender of a jot of its admiration for business and its necessity. The business mind says there is no incompatibility. It says business and the humanities can be mixed. As a matter

of fact they are mixed now and here. The mixing does not mean that our business men must lead a double life—that one must be Mr. Hyde, engaged in depredations in the market place by day, and Dr. Jekyll, addicted to the humanities, by night. It means only that the "life of the spirit" can go and does go hand in hand with the life of business and it is not a strange bed-fellowship at all. The humanists, for whatever position they have, are indebted to business; for whatever development they make, the debt will be increased.

Comes now Senator La Follette, more hos-

tile to business than any professor, to remark:

The monopoly interests of the country are attempting to subsidize education. . . . The growth of the subsidy system in our universities and colleges is contemporary with the growth of monopoly in business.

Just what the "monopoly interests" are or where they are or why they should be interested in subsidizing education does not appear. There is in the Senator's statement a broad implication that the monopoly interests have selfish and ulterior motives. There is more than a hint that education secured in a subsidized university would be a bad education and its beneficiary or victim would be a stunted, lopsided and altogether indelectable product of vicious and malicious training.

### Colleges Result of Business

OF COURSE, to make his way with thinking people, the Senator should have defined "monopoly interests," "subsidy," "education," in fact all his terms. He might have written a little piece on logic and fixed the relationship between causation and time. The latter would have been most important. However, the contribution from Senator La Follette has served a useful purpose. It suggests how a true statement may be phrased. The true statement would run about like this:

The expansion of our colleges and universities, the development of our educational facilities and opportunities, and the general progress of the nation in cultural matters has been not only contemporaneous with the growth of industry and business, but is the direct and natural and wholly valuable and desirable result of it.

That is going much farther than the Senator went. There is, however, no sting in the statement, no suggestion of bribery or bargain and sale—no implication that the university bends a suppliant knee to trade in exchange for contributions to an endowment fund, and no insulting belittlement of the men and women who are giving life and effort to educational work.

Education—the facilities and opportunities for its acquirement—is only one of the cultural advantages; it is only one of the matters that has grown with and out of the demand for things and the chasing of dollars. Cultural progress is not to be taken as a by-product of gains in wealth and income. The gains in wealth and income have created a social surplus to be devoted to cultural progress.

Any savings-bank clerk will testify that a man has only what he saves, that is, a surplus. It is surplus which measures material growth. But the social surplus, which may at times be expressed in terms of dollars, must inevitably be measured by cultural opportunities and attainments and ultimately by total cultural progress.

Cultural progress in this country is denied to no one. Equality of opportunity is ours not less culturally than politically or commercially. If opportunity to hear fine music is a cultural factor, the "subsidizing" of symphony orchestras in American cities is a fine example of the operation. Anyone whose powers of observation are ordinary, can trace the influence of these orchestras for the creation and development of musical taste and

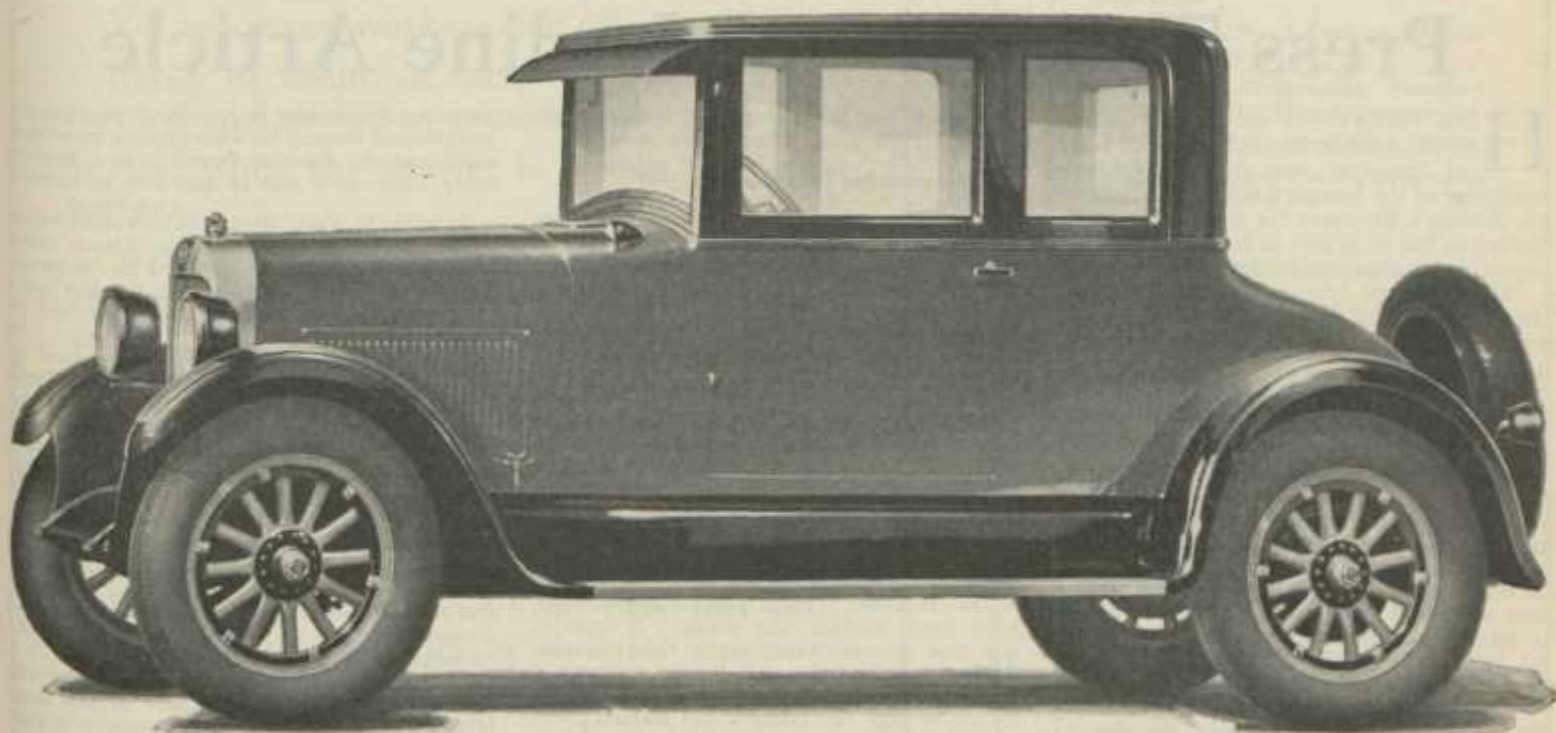


We have developed in this country a new architecture of industry. Shall we develop a new architecture of learning? Must education be three-story Georgian or Gothic, or can it be fifty-story "Neo-Gothic"? The University of Pittsburgh is trying to answer with the projected building pictured above. Is it "sordid"; and if some one had not made "sordid" money, how should this structure be thrown into the skies?

# The New STUDEBAKER *Country Club Coupe*

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[The new Standard Six Country Club Coupe is upholstered in genuine mohair. One-piece windshield, sun visor, automatic windshield cleaner, rear-view mirror. Safety lighting control. Automatic spark control. Clock, speedometer, oil-pressure gauge, gasoline gauge, ammeter, grouped on silver-faced oval. Cowl lights, stop-and-tail light. Lower section of body lacquered in Wyandotte green in contrast with its satin-black top. Full-size balloon tires.]

T H I S I S A S T U D E B A K E R Y E A R

When writing to THE STUDEBAKER CORPORATION please mention *Nation's Business*.

enjoyment in a hundred cities. A picture-play theater, that is beyond the neighborhood stage, will have an orchestra of such talent that it would have been a national sensation when Ole Bull toured and Parepa Rosa sang.

Symphony orchestras are commonplace. They had their early encouragement from business men with surpluses and their present subsistence is drawn from endowments subscribed by business or guarantees against loss from the same source.

The development of orchestras, Senator La Follette might say, was contemporaneous with the demand for more bathrooms and the subsidies came, probably, from the plumbing trust. But they didn't. They came with opportunity created by wealth which grew out of the manufacture of things and what was incident to such manufacture.

Art institutes, museums of natural history, libraries, were similar products. It doesn't matter whether the various institutions were built with public funds, raised by taxation, or

by great private funds voluntarily contributed.

A state university, built and maintained by the taxpayers, is, in this respect, in the same position as the privately endowed institution, and gives an identical service. All are the products of the same growth in wealth and income and all are open to those who can comply with simple and justified requirements. All mark progress in cultural opportunity and all give eloquent testimony to the benefits that come of the demand for things and indulgence in the great primary pastime of dollar chasing.

Instances could be multiplied indefinitely. More and more odious comparisons could be made with what Europe has besides disapprobation of our dollar worship. It might be mentioned, for instance, that there are more colleges and universities in Ohio than on the continent of Europe and they hold out hope to no clan or caste but to everyone.

It might be mentioned that the American business man, piratical and predatory though

he be in the eyes of caste, never segregates his wealth in miserly hordes. He keeps it at work for the production of things and hands part of the profits back to the people. And the profits go for the development of the humanities. They go for science, for art, for music, for education, for parks, for playgrounds, for forest preserves, for the relief of suffering and all but universally for the progress of culture. The scholar who abhors trade draws his subsistence from it. The politician who shrieks about monopoly draws his living from commerce.

In this republic business lays a predatory hand on every citizen, makes him a contributor to its progress and his own. It returns to him a living, perhaps a competency and perhaps a surplus. But more than that it returns to him culture, if he wishes it, and some measure of it whether he wishes it or not. Wrapped up in the business package is the great thing—equality of opportunity and freedom to get and have things.

## Press Talk on Our Jardine Article

**H**OW GREAT was the interest in Dr. William M. Jardine, the new Secretary of Agriculture, was shown in the wide reprinting of the interview with him which led the NATION'S BUSINESS for April. It was reprinted in full or in part in hundreds of newspapers, and it drew much editorial comment.

"How does the farmer feel about Mr. Jardine?" is a natural question. O. M. Kile, who writes of farm matters for many newspapers, quotes Mr. Jardine's statement that the only legislation the farmer wants is "legislation that will put him on a par with other business men" and says:

Farm organization leaders who are inclined to deny that Mr. Jardine yet knows the farmers' wishes, agree that a full and complete interpretation of this last sentence—"legislation that will put him on a par with other business men"—is all they could ask. They point out that legislation which will make it possible for the farmer to get the same benefits that business and labor get from protective tariffs, immigration restriction, price agreements and the like, is all they have ever asked for. They add, however, that in their opinion Mr. Jardine has no intention of making this portion of his statement so inclusive. He has repeatedly declared against proposed measures to make the tariff operative as to wheat and meats.

Labor, official publication of the Railway Brotherhoods, decides that Secretary Jardine has put himself in his place at once. Says that paper:

The appointment of Jardine is a hard blow to what remains of the once virile "Farm Bloc." Jardine is what might be described as a "Chamber of Commerce Farmer." He is a valued contributor to the NATION'S BUSINESS, the subsidized organ of the Chamber of Commerce of the United States.

He has opposed practically all the suggestions looking to relief for agriculture which have come out of the West in recent years. He is, therefore, regarded as safe and sane by the financial interests.

In that particular he is not unlike his predecessors.

The Department of Agriculture is supposed to be run in the interests of the farmers, but the "dirt farmers" have had little voice in the selection of the secretaries.

That is largely due to the farmers' lack of organization. The men who claim to represent them in Washington are, with one or two conspicuous exceptions, more interested in the

schemes of Big Business than they are in the troubles of the actual tillers of the soil.

Here are other extracts:

*The North American*, Philadelphia: Recently we quoted similar views from the head of a large group of cooperative farm associations. Those who best know the problems of the American farmer know that he does not seek special privileges or philanthropic aid, but merely the square deal that will enable him to utilize fully his effort, skill and initiative.

*Star-Gazette*, Elmira, N. Y.: The producer must be protected, in some reasonable manner, to the extent of providing him with sufficient return to make it possible for him to produce without sacrifice of his labor and his property. On the other hand, the consumer must be protected against extortion that comes through many profits being added all along the line from the producer to the consumer. This is possible only through more direct handling and selling. A crate of eggs that changes hands seven times between the nest and the frying pan, has an overhead of fictitious value added to the dozen that curtails the use of eggs and causes a dull market.

*Arkansas Gazette*, Little Rock, Ark.: In an interview which will appear in the next issue of the NATION'S BUSINESS, published by the United States Chamber of Commerce, Mr. Jardine, the new Secretary of Agriculture, says the farmer is a business man with greater capital investment than the average retail merchant and a business vastly more complex.

Mr. Jardine is but pointing to the obvious thing, yet strange to say, comparatively few of us have realized or seen this obvious thing. In every city of the country there are men who have never been on a farm who firmly believe they can be successful as farmers. They consider farming a business that requires little more than a strong back.

We have but to look about us to learn how complex the business of farming is and how changing conditions keep the progressive farmer bustling to meet them. The successful farmer must know soils and fertilizers, seed breeds, machinery, live stock and markets, and incidentally must keep pace with new methods in combating crop pests, old and new. His is a business of complexities and many perplexities.

*Plain Dealer*, Cleveland, Ohio: Farmers as well as non-agricultural interests will welcome this change in official attitude toward farm problems and their solution. The worst of the farm depression is definitely past, most of the adjust-

ments made necessary as a result of the changed conditions of demand for farm produce have been made, and the American farmer is in a position today where he is able to take care of himself.

*Dispatch*, St. Paul, Minn.: In interviews which appear within twenty-four hours of each other there is presented the forward and the backward look on the agricultural situation, the first since Congress adjourned, both by men competent to speak on the subject.

Secretary Jardine, in an article to appear in the organ of the United States Chamber of Commerce, takes the forward look. He sees for the future one great mainstay for the farmer. It rests, he says, "mainly in cooperative effort," and the effort is to be directed at "developing machinery for marketing his products successfully." He points to the 5,000 grain-marketing cooperatives and to the almost equal number of livestock marketing associations as pioneers on the path by which the farmer must travel to success and to an equality with other business, and as a corollary to this, that the Government cease its "constant monkeying" with agriculture.

At this point it is pertinent to introduce the postmortem view taken by Senator Capper, head of the "Farm Bloc." His main complaint is that the Government has done nothing. "Never in recent years have conditions in Congress been more favorable"—yet nothing was done. The cause of the debacle he ascribes to lack of unity, particularly among cooperatives and their leaders.

*Times*, Watertown, N. Y.: There has been a disposition on the part of certain members of Congress to regard the business of agriculture as a special ward of the Government. These so-called lawmakers have sought to pass legislation by which the Government would virtually subsidize the business of farming. . . . Mr. Jardine shows little patience with this form of endeavor. He says the farmer does not want the Government "constantly monkeying with his business. He does not want to be babied or pitied by other people." The farmer-business man—and the successful farmer must be a business man—does not seek legislation to regulate the prices of his product or to tell him how to run his business. He knows that legislation cannot change the process or the effects of economic law. All he desires in the way of legislation is that which will give him an equal opportunity with other lines of business. He wants reasonable credit on sound security; he wants legislation that will help him build up the machinery for the marketing of his products. He asks for no more than that which has already been granted to banking, to corporations, or to labor.

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The Principles of Business Operation and Smooth Functioning are as universal as the multiplication tables—the right combinations bring the right result in any line of business endeavor.

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dries, Furniture.

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Musical Instruments.

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Packers, Paint Mfrs., Pen Mfrs.,  
Pianos, Plumbing, Potteries, Print-  
ers, Public Utilities.

Radio Mfrs., Railways, Railway Sup-  
plies, Refrigerators, Rubber Goods.

Sash and Door Mfrs., Sausage Mak-  
ers, Shoe Dealers, Silk Mills,  
Smelters, Soda Fountains, Steel  
Products, Stoves, Structural Iron.

Tailors, Tanneries, Taxi-Cabs, Tele-  
phones, Textiles, Tobacco, Tools,  
Toys.

Underwear, Uniforms.

Valves, Varnish, Veneers.

Wagons, Warehouses, Washing Ma-  
chines, Watches, Wearing Apparel,  
Wheels, Windmills, Wire Products,  
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# What Happened to the Wheat Market

By JAMES E. BOYLE

Professor of Rural Economy, Cornell University



James E. Boyle

**T**HE BIG advance in wheat prices which characterized the 1924 harvest in the United States has already been explained in this magazine by one of the world's foremost economic statesmen (Julius H. Barnes, in *NATION'S BUSINESS* for February, "What Price Demagoguery").

One pregnant sentence in this article is so full of importance to farmers and business men that I will quote it here, and illustrate its truth and its significance with some actual market figures.

Mr. Barnes spoke of the protection to the American farmer which is afforded by future trading in commodities on the organized exchanges. Among the benefits he cites this one, "speculative and investment sentiment is readily made effective in protection against declining prices at the time of great marketing movements." Mr. Barnes has here stated one of the most important economic truths about our whole future trading system.

## "Flow" Does Not Control Price

**T**HE ORGANIZED grain exchanges during the last six months of 1924 proved their power to absorb enormous wheat receipts, without any break in prices. World conditions of supply and demand called for rising prices, and in the face of almost unprecedented shipments to primary markets in the United States, our prices gradually worked upward.

From July to November the wheat receipts at our primary markets were 221 million bushels in 1923, but they were 362 million bushels for the same period in 1924. In other words, the farmers literally dumped 141,000,000 bushels of wheat on the market during this five-month period in excess of normal flow.

And how did the market behave? Did it break? It did not. The market prices disprove the theories of our wheat-pooling friends who contend that if they can "control the flow" of wheat to market, they can "control the price."

There are two questions to be asked and answered.

What is the economic theory on which wheat pools are based?

How do these theories check with the facts?

Here are the answers:

1. *Wheat-pool theory.*—The pool aims to control price, not by controlling consumer demand or the supply produced by the farmer, but by controlling the flow of this supply to market. "With the flow to market controlled, there is no surplus huzaboo," says a textbook—"Merchandise Your Wheat," issued by the youngest of the pools.

The fact is ignored here that the Government crop report may report

a surplus or a shortage, and the crop report, not the flow to market, will affect the price. The Government report on the Canadian wheat shortage last summer put the price up, many weeks before the "flow of the grain" was even started towards the market.

"Let's get control of the flow of the wheat crop through our own association and be able to merchandise it in a way that will let us have a voice in making prices," says one state wheat-pool textbook.

"If we were organized we would direct our wheat as the steel industry controls the flow of its steel," says the ex-governor of a mid-western state. Please note here the emphasis on the "flow" of steel, rather than on the quantity and quality control exercised by the steel manufacturer.

The secretary of the North Dakota Wheat Pool declared that it intended to raise the price level of wheat by controlling the flow to market. Surely enough evidence has been cited to prove the pool theory to be the controlling of price by controlling flow. Now it is time to check this theory with the facts. It may be said, at the outset, that although the farmers are investing many tens of thousands of dollars on this theory, yet this theory is a superstition—a belief not based on fact.

2. *Theory vs. Facts.*—The Committee of Seventeen, which was the father of the lamented United States Grain Growers, Inc., and the grandfather of the present eleven living pools, propounded this economic theory of the flow of grain:

"If cash buyers want a million bushels of grain today and a million bushels are offered for sale, the price will not change. If a million and a quarter bushels are offered the bottom goes out of the market."

Strong words, those. Does the bottom go out

of the market? Not if there is a wide-futures market, with free speculative buying and selling—such as the organized exchange now offers.

The facts of the market show that big receipts at the market have practically the same effect as small receipts. The market is a wide one, and is an accurate price barometer registering world supply and demand conditions of all kinds, not merely the casual daily fluctuations in cash grain receipts. As evidence I present two groups of statistics as follows:

I. Daily receipts and daily prices of wheat in three markets (Chicago, Minneapolis, Duluth), for the 6-month period of unusually heavy receipts, July 1, 1924, to December 31, 1924, showing rising prices in face of heavy receipts.

II. Daily receipts and daily prices of wheat in Chicago for six scattered months before the war, showing months of light receipts and months of heavy receipts in the period 1909–1913, and showing also the negligible influence on price of these large fluctuations in daily receipts.

## Same General Course

**F**IGURES 1 and 2 illustrate the same general course of receipts and prices, namely, (one) a period of low receipts, then a period of overwhelming receipts (setting new records for all time in both Chicago and Duluth), and finally a period of low receipts; (two) prices during these three periods continue to work gradually upwards, with only those minor seesaws and stairsteps which characterize a bona fide cash market supported by a wide-futures market. The big receipts of cash grain were bought by cash-grain interests at rising prices, and hedged immediately in the futures market, the buyers being in some cases millers and exporters, in other cases, speculators who are taking the bull side (and being right in their forecast, as events proved).

But these same speculators, as Mr. Barnes said, furnished the support which the market badly needed in the face of overwhelming receipts. There is no better evidence of this fact on record than this very six-months period.

FIG. 1

The Chicago receipts vary from 6 cars a day to over 1,900 cars a day. Such violent fluctuations need (and have) a shock absorber in the Chicago futures market. The price is quite "orderly," although the "flow to market" is quite "disorderly" (according to our pool friends).

A chart of the Minneapolis receipts would show that they fluctuate from 75 cars a day to 1,376 cars a day. For instance on August 30, the receipts were 1,376 cars and the next market day the receipts were only 546 cars. There was no price change. On September 6, receipts were 1,141 cars; the next market day, 630 cars; the price dropped one-fourth of one cent a bushel. On October 11 the receipts were 1,218 cars; the next market day, 510 cars;

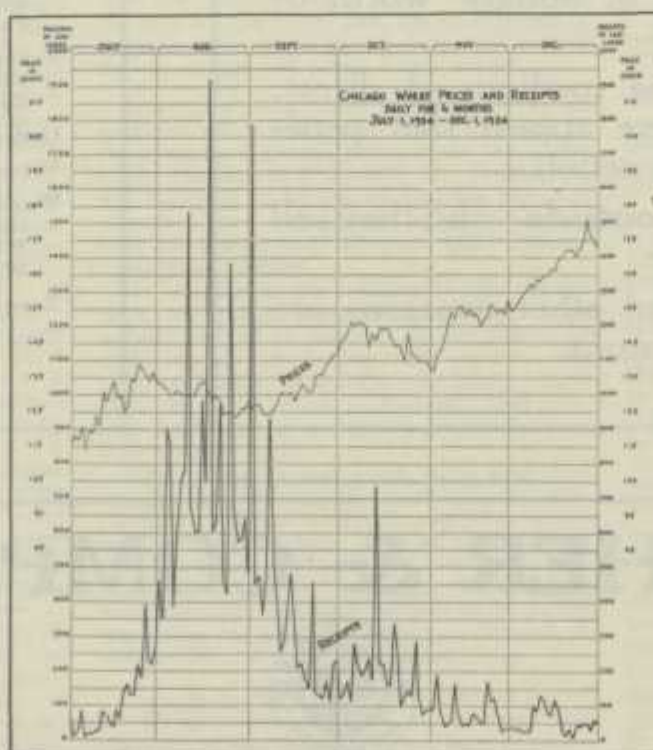


Fig. 1



# Two New TRUCKS that set a New Standard

GMC again has provided a new measure of motor truck quality with the new 1 ton and 1 1/2 ton models.

Not only do these trucks embody the well known GMC principles of design, but they provide further refinements in construction and arrangement which are revealed in more power, more speed, more safety, more comfort for the driver, and easier and quicker adjustment or replacement of wearing parts.

New and more powerful engines, mechanical four-wheel brakes, new type rear axles with banjo housing, new transmissions, new design radiators and hoods, new and easier steering gears, magneto ignitions, cord tires, electric starting and lighting.

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in this case the price went up one and five-eighths cents.

FIG. 2

The Duluth receipts vary from 15,000 bushels a day to over 2,000,000 bushels a day. Duluth was literally swamped with wheat so that the railroads had to embargo this market at times. Yet the price trended gradually upward in the face of "dumping" and embargo. Probably no market has ever been subjected to such a violent strain as was Duluth during this six-months period, yet the "bottom" did not go out of the price.

### Receipts Only Part of "Supply"

IN THE four Chicago graphs at the bottom of this page it will be observed that the two parallel lines are price lines, showing the daily high and low price, or price range. The heavy single line at the bottom is the receipts line. A glance at the charts shows that receipts fluctuate violently, while prices remain fairly even. The reason is this: Prices reflect both demand and supply influences, not merely receipts.

Receipts, it must be clearly kept in mind, constitute but one item of "Supply," the other factors of supply being the crop itself, as estimated by the Government, the carry over, the invisible supply in 2,000,000 farmers' bins, the invisible supply in 20,000 country elevators, and the visible supply in terminal elevators, as well as the grain afloat and on passage to consuming countries. The grain-exchange price actually reflects these factors, as the graphs show. The "flow" of wheat to market is not very important.

FIG. 3

This graph shows daily receipts in Chicago for October, 1909, a month of very low receipts for the fall movement. On one day, October 19, there was a big spurt in receipts—

over 700,000 bushels coming in—but there was no violent change in price accompanying this sudden rise in receipts.

FIG. 4

Figure 4 shows the fall movement in September and October, 1912, with its usual big daily swings in receipts, but usual steady price.

FIG. 5

Here is shown a spring month, April, 1913, with the customary very small receipts. One day the receipts fall to 10,000 bushels. Another day they jump suddenly to over 900,000 bushels. The price remained perfectly steady under all these big swings in daily receipts. The exact scope of the swings in daily receipts

and the relative position of price at the time of each of these variations, are easily seen in the graph printed below.

FIG. 6

Figure 6 shows the period of heavy movement after harvest, July and August, 1913. Daily receipts vary from 70,000 bushels to nearly one and a half million bushels. Yet during this whole period of two months the top price of wheat fluctuates between 87 and 92 cents—a range of 5 cents! Think of this in connection with the grain-pool argument.

The day of heaviest receipts made no change in the top price. The demand was there to absorb all the offerings. That is what a wide market means and a wide market is built on future trading. For it is future trading which brings into the market the largest number of buyers and sellers. It is a large number of buyers and sellers which constitutes a wide market. The economic benefits and stabilizing effects of a wide market are illustrated by the group of facts collected in this article.

NOTE: Since the above was written, the wheat market has had some wide daily fluctuations, reaching a climax on Friday, March 13, with a drop in May futures of 15 cents. In one month there was a drop of 51 cents, a rare thing on our modern exchanges. This drop is mild, however, when compared with the "good old days" before future trading. Following any great war, when both private and government agencies talk about a wheat famine, a nervous, fluctuating market is sure to obtain. To illustrate, in London in 1812, cash wheat rose in July to \$5.31, then fell to \$3.12; in September it rose from \$3.12½ to \$5.25; in October, it dropped from \$5.38 to \$2.37.—James E. Boyle, March 18,

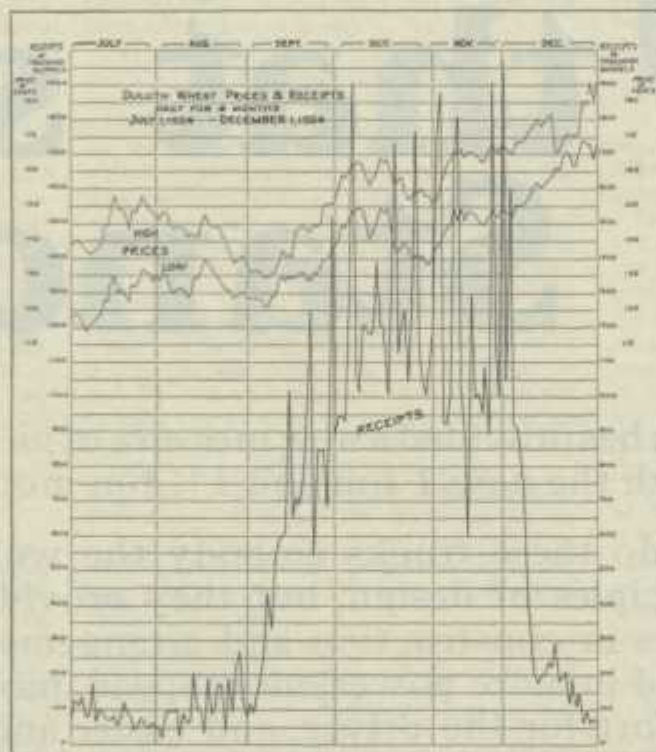


FIG. 2

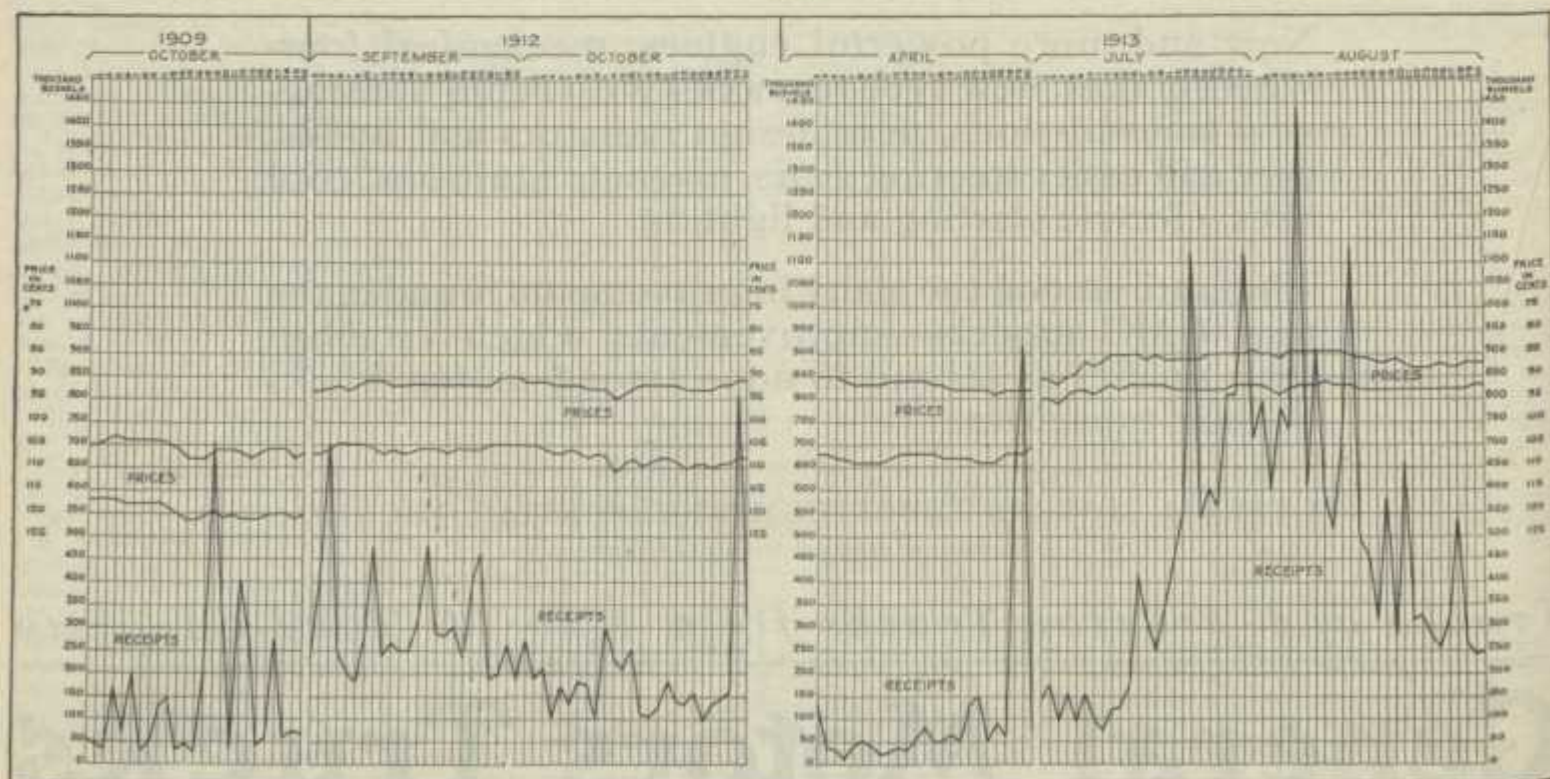


FIG. 3

FIG. 4

FIG. 5

FIG. 6



## 43 hours without shutting off the engine!

Pouring concrete on a bridge job is a matter of utmost importance. Once the pouring has started it must keep on going.

In this connection, Mr. Henry C. Ische, of Milwaukee, said in a recent letter:

"The new State Street Bridge job required special night service in the way of sand delivery because there was not sufficient storage space for both sand and stone. They started pouring concrete on a Friday at 6:30 a. m. One of my trucks started hauling sand at this time and continued straight through all night, all day Saturday, Saturday night and up to 2:00 o'clock Sunday morning, without shutting off the engine. Round trip from pit to job was about 12 miles. We averaged one load every hour."

Mr. Ische also says, "I operate five Pierce-Arrow trucks. They average about 100 miles per day. Gasoline mileage during winter operation shows an average of 7 miles to the gallon."

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In addition to the owners on the Roll Call, tens of thousands of owners operate White fleets of less than 10 or single Whites. There are more White Trucks in service than trucks of any other high-grade make.

These are facts—the soundest, safest guide to your own

Whites Owned	Whites Owned
Abbotts Alderney Dairies, Inc. 54	City Ice Company (Kansas City) 19
Abraham & Straus 65	City Ice & Fuel Co. (Cincinnati) 19
Acme Cash Stores 18	City Ice & Fuel Co. (Cleveland) 19
J. N. Adam & Company 26	Clark Trucking Company 12
Advance Transfer Company 14	Clearing House Parcel Deliv. Co. 12
City of Akron, Ohio 25	City of Cleveland 213
Akron Pure Milk Company 11	Clegg, Ashta, Conneaut Bus Co. 18
Alabama Coca-Cola Bottling Co. 4	Clegg, Blaine, Sup. & Brick Co. 98
All Russia Zenaky & Citios Union 10	The Cleveland Cartage Co. 22
Al's Bake Shop 26	Cleveland Coca-Cola Bottling Co. 22
B. Altman & Company 85	Cleveland Elec. Illuminating Co. 42
Amer. Agricultural Chem. Co. 25	Clegg, Loring-Saudusky Bus Co. 11
American Bakery Company 15	The Cleveland Press 20
American Can Company 82	Cleveland Provision Company 35
American Chain Company 12	Cleveland Railway Company 33
American Fruit Growers, Inc. 11	Cleveland Transp. & Cartage Co. 33
American Gas & Electric Co. 23	Cleveland Trinidad Filling Co. 10
American Ice Company 22	Cleveland & Sandusky Brew. Co. 39
American News Company 29	Cloverlands Dairy Products Co. 19
American Petroleum Company 29	Coca-Cola Bottling Companies 353
American Power & Light Co. 35	The Coca-Cola Company 111
American Public Service Co. 11	The Coca-Cola Co., Ltd. (Canada) 73
American Railway Express 457	W. I. Coldiron 13
American Red Cross Society 31	J. C. Coleman & Son 15
American Reduction Company 11	Collins Hauling Company 20
American & West Company 121	Colonial Ice Cream Company 20
American Stores Company 121	State of Colorado 15
American Woolen Company 23	Columbia Ice & Ice Cream Co. 11
A. L. Ammen Transportation Co. 48	Columbia Stages 52
Anchor Cartage Company 13	Comar Oil Company 21
Anderson Brothers 14	R. H. Conney Company 11
Anglo-Mexican Petrol. Co., Ltd. 10	Commercial Oil Company 10
Anheuser-Busch, Inc. 18	Commercial Transfer Company 12
State of Arizona 58	Commonwealth Fuel Co., Inc. 55
Arifon Mills 17	Commonwealth Fuel & Lt. Co. 11
Armour & Electric Co. 495	The Connecticut Company 23
J. H. Ashby & Hardware Co., Ltd. 10	State of Connecticut 62
Associated Bell Telephone Co. 113	Connecticut Motor Transp. Co. 15
Associated Dry Goods Corp. 128	Consolidated Companies 30
City of Atlanta 42	Consolidated Ice Company 11
Atlanta Baggage & Cab Co. 22	Consolidated Rendering Co. 34
Atlanta Chero-Cola Bottling Co. 10	Consort Coal Company 11
Atlanta Coca-Cola Bottling Co. 20	Consumers Baking Company 29
Atlanta Ice & Coal Corporation 56	Consumers Dairy Company 24
Atlantic Refining Co. 19	Consumers Ice Company 21
Atlas Powder Company 19	Continental Baking Company 123
Austin Nichols & Company 44	Continental Oil Company 34
Bacon Coal Company 20	Coral Gables Utilities Company 14
The Bailey Company 24	Cottage Creamery Company 14
City of Baltimore 52	Walter J. Cox Company 10
L. Hamberger & Company 44	Crane Company 19
Bang Supply Company 14	Crescent Forward & Transp. Co. 12
Banner Grocers' Baking Co. 12	Cuban Government 19
N. Bartholomew & Sons 19	Cudahy Packing Company 55
Barker Brothers, Inc. 19	John T. Cavanaugh 15
"Barnsall Corporation 24	Cushman Sons, Inc. 18
The Barrett Company 24	County of Cayuga 17
W. J. Barry 19	Dahl-Gamphell Grocery Co. 15
Beaver Valley Service Company 15	Dannemiller Grocery Company 12
Bechtel Packing Company 13	Darling & Company 26
Beckins Van & Storage Company 19	Thomas D'Attilio 20
Belgian Auto Bus S. A. 10	Davison Cartage Company 14
Bingham Auto Line 16	The Dayton Company 10
Berthelme & L. L. L. 16	De Haven Ice Cream Company 10
Bessemer Tint Co. 14	Denver Cab Company 40
Best & Company 27	City and County of Denver 11
B. & F. Trucking 10	Louis Des Cognets 13
William Bingham Company 24	Dill & Collins Company 11
Bingham Stage Line 11	Dixie Construction Company 19
City of Birmingham 26	Drake Brothers 39
Birmingham Chero-Cola Bot. Co. 53	Driscoll Trucking Company 11
Black & Kohl Company 19	East Fayette Street Bus Line 13
Bloomington & Line 12	East Ohio Gas Company 41
Blue Ridge Transportation Co. 20	East Side Mill & Lumber Co. 15
Hogg & Hohl, Inc. 26	Eastern Torpedo Company 24
The H. C. Bohack Company 15	Eastman Kodak Company 13
The Borden Company 35	Thomas W. Easton's Sons 20
City of Boston 14	T. Eaton Company, Ltd. 26
Boston Coca-Cola Bottling Co. 14	Eckhardt Sales Company 14
Boston Elevated Railway Co. 85	Abraham Eisenberg & Co., Inc. 11
Boulevard Transportation Co. 26	"Electric Bond & Share Co. 45
Bourne-Ya Her Company 19	Electric Package Agency 14
George H. Boxman Company 10	Everick & Company 14
"Bowman Dairy Company 22	Empire Baking Co. 22
Bradford Baking Company 47	Empire Gas & Fuel Company 13
Brands Stoves 19	Ernst Fuel & Supply Company 11
The Brandt Company 41	A. J. Evans 21
J. W. Brannon Sand & Gravel Co. 19	The Fair 12
Brown Lumber Company 12	Fair Haven Company 11
John Bruner Company 12	Fairmont Creamery Company 25
Bridgman & Russell Company 17	Fayette Baking Company 20
Broadway Department Store 11	Fewer Gas Company 17
Brockton Transportation Co. 11	Wm. Filene's Sons Company 17
Brook Pro Vision Corp. of N. Y. 19	Firestone Tire & Rubber Co. 12
Brooklyn Daily Eagle 21	Fischer Baking Company 14
Brooks Oil Company 12	Fischer Lime & Cement Co. 19
Bry-Bloch Mercantile Company 14	Fleischmanns Company 21
Buckley Pipe Line Company 28	Florida Coca-Cola Bottling Co. 17
Bullock 28	Florida Motor Transport Co. 83
P. H. Butler Company 48	State of Florida 26
Cable Draper Baking Company 19	Fly & Holman Company 13
Caddo Parish, Louisiana 13	C. H. Fuller 15
State of California 87	Foster & Kleiser, Inc. 15
California Baking Company 21	Frank & Seder 38
California Packing Corporation 20	Franklin Ice Cream Company 33
California Petroleum Company 19	Mary V. Franks 23
California Transit Company 48	Frederick & Nelson, Inc. 25
California Truck Company 19	William Frohofer Baking Co. 11
L. H. Calla 11	Fujiya Hotel Garage 12
J. Calvert's Sons 11	Fuller Cleaning Company 12
William Cameron Co., Inc. 11	W. P. Fuller & Company 24
M. O. Campbell Coal Company 12	Fullington Auto Bus Company 13
The Campbell System 33	County of Fulton, Georgia 11
Canfield Oil Company 24	Frank Gaffney 15
Canton Provision Company 17	Galena Signal Oil Company 17
Canton Storage & Transfer Co. 15	A. W. Gamage, Ltd. 14
Capitol Garage Company 13	Garfield-Passaic Transit Co. 15
Carbon Coal Company 12	Gate City Dairy Ice Cream Co. 15
B. E. Carey Company 12	General Baking Company 229
Carolina Power & Light Co. 11	"General Electric Company 72
Carolina Public Service Co. 13	General Fire Extinguisher Co. 11
J. B. Carr Biscuit Company 12	General Gas & Electric Corp. 28
Carstens Packing Company 10	General Petroleum Corporation 94
Carter Oil Company 22	Georgia Railway & Power Co. 62
Casper Motor Bus Line 11	State of Georgia 75
Central Maine Power Company 11	Gerkins Oil Company 13
Central Transfer Company 11	Gimbel Brothers, Inc. (Milw.) 94
Chandler & Rudd Company 11	Gimbel Brothers, Inc. (N. Y.) 94
"Chapin-Sacks Corporation 62	Gimbel Brothers, Inc. (Phila.) 79
Chase Bag Company 35	Glacier Park Transportation Co. 52
Chase-Nest Coffee Company 19	Globe Grain & Milling Co. 23
"Chero-Cola Bottling Companies 108	Gloucester Auto Bus Company 24
The Chero-Cola Company 67	City of Gloucester 16
Chicago Amer. & Herald-Exam. 43	Adolf Gobel, Inc. 41
Chicago Pies Brick Company 20	Goringer Construction Co. 12
Chicago Fire Insurance Board 13	Goff-Kirby Company 18
Chicago N. Shore M.L.R. Co. 19	Goldenrod Ice Cream Company 29
Chicago Towel Company 12	Golden Yoke-Kennedy Baking Co. 29
Chile Exploration Company 10	Golden State Auto Tours Corp. 12
H. B. Church Truck Service Co. 10	Golden State Milk Products 14
Cia. Abastecedores de Leche 10	J. Goldsmith & Sons Company 12
Cia. Nacional Construction 10	B. F. Goodrich Company 12
Cia. Travaux de Mexico 10	Goodyear Tire & Rubber Co. 22
Cincinnati Motor Terminals Co. 16	Grassell Chemical Company 21
"Cities Service Company 113	Gray Construction Company 25
City Baking Company 20	Grays Harbor Ry., Lt. & Pow. Co. 12
City of Chicago 135	The Great Atl. & Pac. Tea Co. 14

Whites Owned	Whites Owned
Great Northern Paper Company 27	International Petroleum Co., Ltd. 27
Great Southern Refining Co. 11	Interstate Public Service Co. 13
Greenfield Elec. Lt. & Pow. Co. 19	Interstate Wholesale Grocers 27
Greensboro Gas Company 18	Interurban Transportation Co. 10
Greif Brothers Cooperative Co. 42	Iowa State Highway Com. 32
Grelley Dairy Company 16	Iron City Sand Company 15
S. J. Groves & Sons Company 13	Iron Range Transportation Co. 11
Gulf Production Company 45	County of Jackson, Mo. 14
"Gulf Refining Company 1738	Jahneke Service Company 18
Gyep Oil Company 30	Jefferson County (Ala.) 42
"Hadley Furniture & Carpet Co. 16	Jefferson Highway Transp'n Co. 22
Hale Brothers 10	Jessup & Antrim Ice Cream Co. 11
Halle Brothers Company 21	Jones Store Company 25
Hammond Lumber Company 12	Jordan Petroleum Corporation 22
W. T. Hardison & Company 11	Jump Housewrecking Company 14
Hardway & Supply Co. 10	S. Kann Son's Company 15
Joseph Hart 19	Kansas City Power & Light Co. 11
A. D. Hartwell 19	Kansas Gas & Electric Company 26
Fred Harvey 34	State of Kansas 101
C. F. Hathaway & Son 10	Kaufmann & Baer Company 47
Hausser Packing Company 17	Herman Kelsner 11
Hawery Furniture Company 24	Kennett-Patterson Transp. Co. 11
Hawley County, T. H. 19	C. D. Kenny Company 67
Hawthorn Pineapple Co., Ltd. 21	J. Kenny Transfer Company 15
Hecht Bros. & Company 12	State of Kentucky 39
H. J. Heinz Company 83	George Kern 12
Helander & Junge Company 20	King County (Washington) 14
Hercules Powder Company 17	Kingdon & Company 53
Peter Herkner Trucking Co. 12	The Knickerbocker Storage Co. 11
Hershey Creamery Company 10	B. B. & H. Knight, Inc. 11
Hess Brothers 11	E. H. Koester Bakery Company 21
Heywood-Wakefield Company 11	Laclede Gas Light Company 11
Hildebrand-Alattash Bus Line 11	County of Lake (Indiana) 11
The Higher Company 11	Laaburg & Brother 12
Hildebrand Provision Company 14	LaSalle & Koch Company 12
H. G. Hill Grocery Company 19	J. Laub Baking Company 35
Hitchner Biscuit Company 10	Laundry Trucking Company 19
Hochschild, Kohn & Company 26	G. Lewis Lavine 19
H. B. Hole 17	A. Leuth & Company 11
Holland Bread Company 68	J. William Lee & Son 13
Hollywood L. & W. Co. of Fla. 24	Lewis-Chitty Company 10
Hong Kong Hotel Co., Ltd. 11	Fred T. Ley & Company 29
Honolulu Const. & Drayage Co. 14	Leyte Land Transportation Co. 30
H. P. Hood & Son 19	Liberty Baking Company 26
Hope Natural Gas Company 14	Lilly White Gasoline Company 20
Joseph Horne Company 49	Lincoln Fireproof Storage Co. 11
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Indian Refining Company 12	County of Los Angeles 21
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City of Indianapolis 11	City of Lowell (Mass.) 14
International Petroleum Co. 10	Arthur Lurie 56

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K. H. Macy & Company . . . . . 21	National Ice & Cold Storage Co. . . . . 19
Magnolia Petroleum Company . . . . . 97	National Ice Cream Company . . . . . 19
Mandel Brothers . . . . . 13	National Lamp Works (C. E.) . . . . . 19
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Marland State Roads Com. . . . . 19	City of Newark . . . . . 13
State of Massachusetts . . . . . 60	Province of New Brunswick . . . . . 19
Massachusetts Baking Company . . . . . 18	State of New Hampshire . . . . . 19
Material Cartage Company . . . . . 18	W. J. Newman Company . . . . . 13
May, Stern & Company . . . . . 12	Newman Brothers . . . . . 13
The May Company (Cleveland) . . . . . 57	M. A. Newmark Company . . . . . 13
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Miller & Coatesworth . . . . . 10	M. O'Neill Company . . . . . 19
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Pennsylvania Electric Corp. . . . . 13	Standard Oil Company of Ohio . . . . . 162
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Sherman, Clay & Company . . . . . 14	Winchester Laundry Corp. . . . . 29
John Shillito Company . . . . . 19	Wm. Winkler (Steels-Wedels) . . . . . 20
Siehoff Packing Company . . . . . 15	Wisconsin Oil Company . . . . . 14
Shultz Bread Company . . . . . 18	State of Wisconsin . . . . . 19
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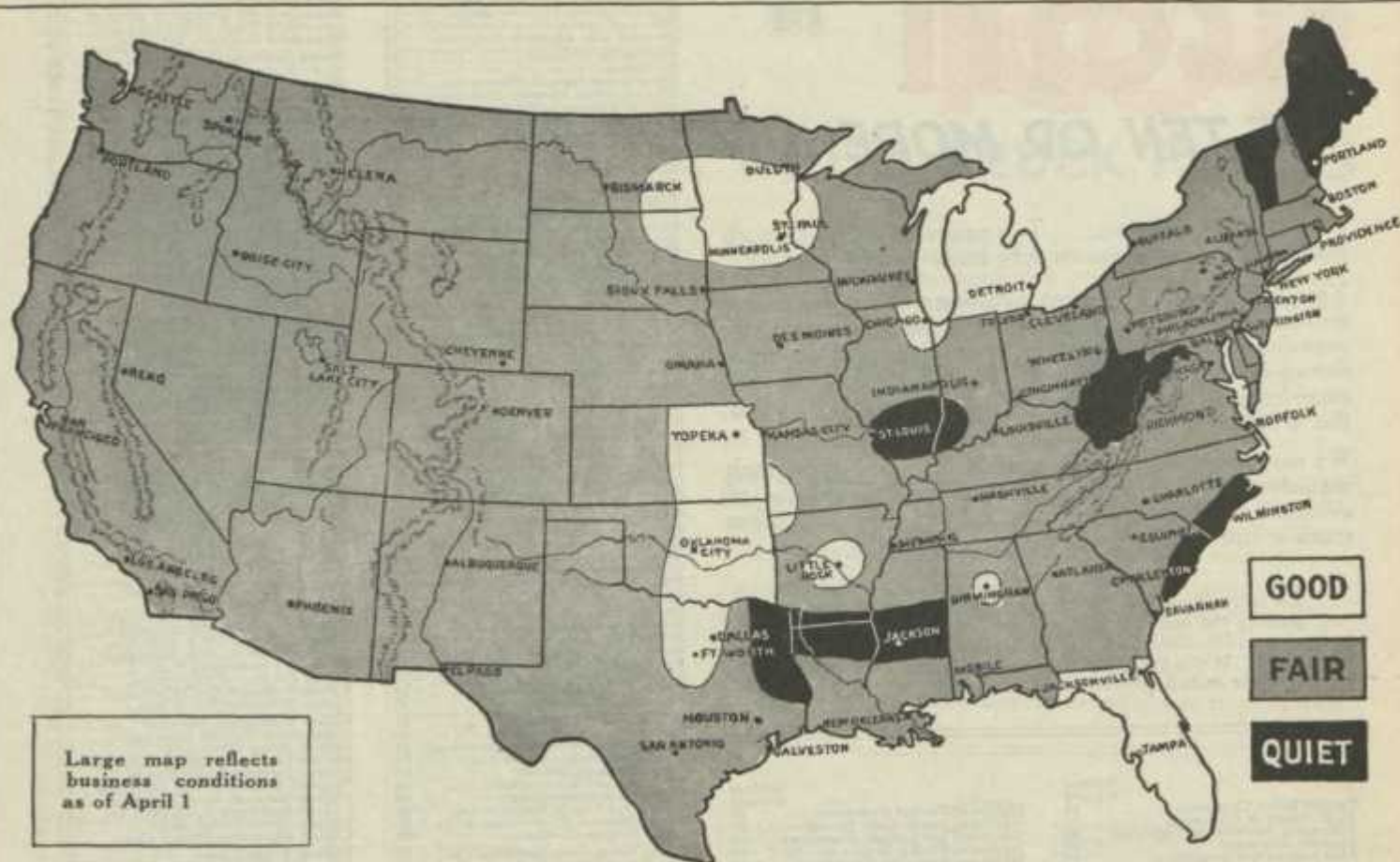
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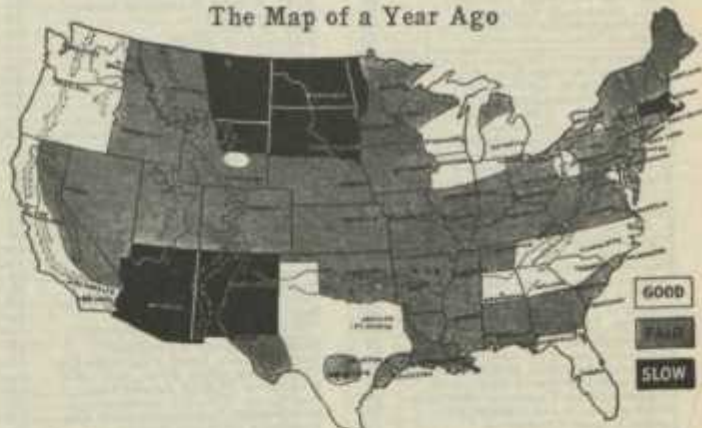
# The Map of the Nation's Business



The Business Map of Last Month



The Map of a Year Ago



By FRANK GREENE

Managing Editor, "Bradstreet's"

**T**RADE and industrial volume in March was not as "deep as a well nor as wide as a church door" but it will (at any rate it will have to) suffice. To the above observation might be added that reports were rather irregular with a wide difference in the degrees of activity reported in differing trades, industries and sections of country. Comparisons in distributive trade with a year ago were vitiated to some extent by the fact that March a year ago—in trade, not industry—saw final distributive trade rather below expectations, this partly because of weather but partly, also, because of the late date of Easter.

Wholesale trade in March was not as ac-

tive relatively as in January and February and not particularly active, even as compared with March a year ago. Taken as a whole, industry slowed down considerably from the comparatively swift pace in the earlier months of the year.

Retail distribution, aided by intensively advertised sales and the best pre-Easter weather in years, was better than February and slightly better also than in March last year. In the matter of retail trade, it, of course, needs to be said that the mail-order and chain-store concerns last month, as in all other recent periods, easily led department stores in their percentages of sales.

It need not be inferred from the above

that March was an uneventful month. Indeed the reverse was the fact, and the definite quieting down—"sobering" was a word frequently met with—was accentuated by the jolts administered to speculation in stocks and wheat and other grains. Then, too, the St. Paul road passed into the hands of receivers and a third successive monthly decline in commodity prices was scored. These and other happenings, not least of them the continuance of the complaints of hand-to-mouth buying, tend to accentuate the feeling of disappointment at the failure of over-sanguine expectations.

Distributive trade did not show as much evidence of surprise as did the speculative

### What's Wrong With Shorthand

#### Secretaries say:

- "He talks so fast, I'll be getting writer's cramp soon."
- "No one else can read my notes."
- "Cold notes are maddening."
- "Shorthand is nothing to boast of."
- "I've no time to show initiative!"
- "I'm 10% secretary and 90% slave to my notebook."
- "Those awful waits while he chats over the phone!"
- "Hours wasted while he's in conference."
- "Nothing doing until 3, and then two days' work."
- "Yes, I do mind staying late."

**Charles E. Dunbar**  
is Director of Sales for Johnson-Cowdin-Emmerich, Inc., largest manufacturers of silk ribbons in the world (established 1884).

### What's Wrong With Shorthand

#### Executives say:

- "When I most need her, she's gone."
- "She's busy now. Let it go."
- "Has all she can write today."
- "I used up her time dictating."
- "She can't get out all she's taken."
- "She was out to lunch."
- "If I could only dictate while it's fresh in my mind."
- "Out sick, so my letters have to wait."
- "When here alone, I'm helpless."

## They faced the facts— and shorthand had to go

How much more work does a man turn out with The Dictaphone than the same man shackled by the delays and mistakes inseparable from shorthand?

FIFTY per cent. is a conservative estimate. That's apparent when you consider how neatly The Dictaphone solved the problem of C. E. Dunbar, Director of Sales for the largest silk ribbon manufacturers in the world.

Millions of dollars' worth of sales are cleared through Mr. Dunbar's office. It would be next to impossible to direct this mass of correspondence without maximum efficiency. In addition to actual sales an enormous volume of inquiries received daily must have immediate attention. And, most important of all, Mr. Dunbar is responsible for the making of prices, directing of salesmen and seeing important customers.

Saving his time, therefore, was the essence of his problem, the very problem which confronts thousands of other executives. Mr. Dunbar solved it by a natural line of reasoning which

he incorporated in the Foreword of his own official Sales Manual for Johnson-Cowdin-Emmerich:—

*"Yesterday our grandfathers wrote their letters with steel pens. Today we do not write them at all—we talk them into a machine and twenty letters are written in less time than it took to write one yesterday."*

The Dictaphone! To Mr. Dunbar it is not new. He lost no time in instituting a modern system in place of antiquated methods which slowed everything up.

While he dictated to The Dictaphone, his secretary handled other vital work in the time she formerly wasted taking his dictation in shorthand. He didn't have to put off the bulk of his dictation until routine work was out of the way. He found that he got through the morning mail in half the time because he could answer letters on first reading.

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"When a thought comes to mind I can register it immediately. If I had to wait until my secretary was through with work which I do not feel free to call her from, my ideas would cool off and I would have to refresh my memory by re-reading correspondence or data."

"With The Dictaphone I do not lose any of my best thinking waiting for my secretary."

—C. E. Dunbar

### Double your usable time— at our expense.

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community. Evidently there had been little over extension in actual trade channels, and distributors, while not particularly enjoying the hand-to-mouth purchasing, have not been as over-depressed as have those who looked for a boom where in fact there has been in most cases merely a seasonal volume of trade.

Some measures of movement—as, for instance, bank clearings, debits and car loadings—have tended to over-emphasize the rate of improvement that has been unquestionably shown from the exceedingly depressed conditions of last summer. In the former case the immense volume of speculation in all lines of securities and grain and in some basic commodities has been mainly responsible. In the case of car loadings the failure of railway-traffic receipts to show gains in keeping with the weekly returns of cars handled in February is explained as due mainly to "small but often" buying having resulted in disproportionately large figures of less-than-carload lot loadings. In other words, more cars appear to have been loaded with less freight per car.

For the persistence of the complaint of small-lot buying it need merely be said that continuance of high costs has been the chief reason assigned, and, if this is the real cause, there does not seem to be any immediate prospect of a great basic change in this respect.

There is no escaping the feeling that the great speculative boom of late 1924 and early 1925 led to some over-sanguine ideas as to the future of trade. The old saying that the "ticker tells the story" was undoubtedly in mind, but fuller consideration of the stock and wheat markets' actions would seem to indicate that these were not the barometers of trade they are often said to be.

#### Interesting Sidelight

**THE STOCK** market, and for that matter the grain market also, were to a large degree discounting conditions within themselves, not the least of these being relatively low prices ruling last year.

An interesting sidelight on the widespread character of the speculative fever in March is had in the fact set forth in the stock-market reviews that the high and low points for stock averages for the year were reached in March a little more than three weeks apart.

As a result of the deflation in prices in March, brokers' loans were reported to have fallen from a total of \$2,100,000,000 to \$1,700,000,000 in a month, and some stocks relapsed to the levels touched shortly after last election day.

Wheat prices, which were at their peak late in January when May delivery sold at \$2.05½ at Chicago, reacted to \$1.77 in February, rose to \$2.02 early in March and fell to \$1.38½ early in April, a net loss from the top of January of about 70 cents, some of which has since been regained. Cotton has been less spectacular but rose 2½ cents from January to late March, losing 1½ cents later. Even the allegedly sedate hog got excited and sold at over double the price of a year ago and rubber sold at the highest price in six years. Sugar was one of the few products to rule steady at close to the lowest in years.

At opposite poles in the industrial line in March, steel and soft coal furnished examples of the widely varying degrees of activity ruling in two so-called basic lines. New steel buying quieted in March and there was some softening in prices, which failed to hold the advances announced early in the year, while pig iron and scrap materials went lower as March daily output exceeded slightly that of February. Mill operations ranged at 80 to 90

per cent, highest capacity being noted in western centers.

Coal, on the other hand, reflecting competition of lower non-union wage scales with high union rates, was unsettled and a large number of mines were reported closed. The claim was made indeed that the owner of a union-scale mine might make a profit by closing his mine and filling his orders with non-union coal. Again was proven the contention that while the union miners got the high scale at the Jacksonville conference in April, 1924, the non-union mines and miners got the orders and the work. In anthracite, prices went off 50 to 75 cents. There is talk of a strike in October.

#### Bank Clearings as Measure

**REGARDING** the value of bank clearings as a trade measure, it is worth noting that bank clearings for the first quarter of 1925 were the largest ever recorded in that period and were 15.7 per cent in excess of the like period a year ago. Excepting possibly the sales of agricultural implements which are said to have made up for several years' slack buying in very large sales at some markets, there are few superiors to the above gain in trade lines.

The gains of mail-order and chain-store houses for the first quarter of this year are estimated at 13.3 per cent while department stores gained 5.5 per cent, but the gain for all retail trade over the first quarter of last year was undoubtedly greatly reduced by the slight decreases shown in department-store sales in January and February from a year ago.

Building, like other industries, shows some marked divergences in different sections. In New York City the first quarter's total permitted for expenditure this year is only \$226,943,115 as against \$374,464,060 in the first three months of 1924, a decrease of 39.5 per cent. There is here shown a decrease of \$147,500,000, \$101,000,000 of this in March. At 151 other cities the aggregate total was \$595,074,000, a gain of about \$65,000,000 or 12.3 per cent. New York and Los Angeles show the largest decreases, while most of the other large cities, and two-thirds of all reporting, report gains. The grand total at 152 cities is \$820,017,000, a decrease of 9.1 per cent from a year ago.

Of course, it needs to be borne in mind that building expenditures for March and the first three months of 1924 broke all records for the respective periods in and outside of New York. Lumber orders and shipments are slightly below a year ago to date, and the production has been kept down by short-time operations so that the output is little above last year.

Failure returns for the first quarter were the heaviest for any three months in two years, showing an increase of 13 per cent over the like period a year ago, but liabilities were 48 per cent smaller. A year ago, it will be recalled, bank failures greatly swelled liabilities. Notable decreases in failures and liabilities are shown from a year ago in New York and the northwest. A very hopeful feature is that March failures decreased from a year ago whereas in January and February suspensions were more numerous.

Grain, especially wheat and rye, and raw cotton continue to be the two great factors in the country's export trade, that is, the gains in these two classes of exports largely account for the entire gain in all exports over a year ago. Europe's need of our grain and raw cotton contrasts with the rather deliberate buying of our other products. Curiously enough the small gain in imports, like

the larger gain in exports, is also accounted for by gains in crude materials and foods.

Taken as a whole the trade map for early April points to about "fair" conditions; that is, things may be summarized, irregularities accounted for, as about equal to a year ago. There is not much in this to quarrel with, but the business world apparently had its mouth made up for something better. What the future will bring forth is still largely on the knees of the gods. The spring has been a fairly early one, but there has been more than a little complaint of dry weather, especially in the southwest (in Kansas, Texas and Oklahoma), and later in parts of the spring-wheat northwest.

The outlook for the grain crops in the southwest is nothing extra, but the net result may be a larger-than-expected planting of cotton to take the place of some grain. In the northwest a big increase in spring wheat is looked for, and a larger area of most crops (flax, potatoes and oats excepted), is looked for.

Winter-wheat conditions are claimed to be rather ordinary as this has not been a wet spring, favorable usually to winter wheat. Hence wheat was strong at the low levels touched in early April.

Cotton exports have been heavy and there is no burdensome stock left from the largest crop (in 1924) gathered in ten years.

## Steady Increase Shown in Railroad Efficiency

**RECENTLY** we printed an article on "How to Make a Public Dinner Painless." An important point is to have the speakers interesting. Some men can state their side of a case in a few words and make it clear, however abstruse the subject may be. Here's an example from an address by Hale Holden, president of the Burlington, before the Omaha Chamber of Commerce:

One of the criticisms which long was made against the Transportation Act, and which is even still sometimes made, is that it "guaranteed" to the railways a fixed net return and would thereby destroy the incentive to reduce costs of operation and make possible reductions of rates. The baselessness of this criticism has been demonstrated by what has actually been done. The reductions of freight rates made in 1922 took from the carriers about one-half of the advance granted in 1920. They have saved the shipping public 335 million dollars in 1922, 656 million dollars in 1923 and about 600 million dollars in 1924, a total of about \$1,589,000,000. There also have been some special reductions of passenger rates.

These various reductions of rates are, at the present time, saving the public about 700 million dollars a year. This is more than the average net operating income earned by the railways in 1921 and 1922. It necessarily follows that the reductions of rates made would have bankrupted every railway company in the country if operating expenses had not been largely reduced.

That the Transportation Act has not reduced the incentive to operate efficiently and that economy of operation has been greatly increased is demonstrated by the outstanding fact that total operating expenses in 1924 were almost \$1,300,000,000 less than in 1920, although the traffic handled was greater. Less than one-third of this reduction of expenses has been due to reduction of wage rates. Almost exactly one-third of it has been due to increased efficiency in management and to the splendid cooperation of the employees. The remainder has been due to increased efficiency in the use of fuel and materials; to reductions in prices and to innumerable other causes.

# When Buying FALLS OFF, Do You Know

## Eighty Successful Concerns Tell You What THEY Do

The book, "Going After the Customer," is a straightforward brass-tacks recital of the way over eighty businesses succeeded in getting more customers at less cost. That's one of the most important features of it, LESS COST.

These men were not advertising experts or professional merchandisers. They were just plain, average business men with horse sense. They found a way to do more business in the same store or factory with the same light, heat, rent, clerks, etc.

They found a way to advertise without hiring expensive help or paying for expensive printing. In other words, anybody who reads these books can do the same and make a profit on it.

## A Few Typical Cases Picked at Random

One of these concerns built a million-dollar cash business in a town of 905 persons.

Another has doubled its business in a store only 30 feet wide by 40 feet deep.

Another got 42% increase in six months against mail-order competition.

Another got 823 new prospects at 4 1/4 cents a name.

Another sold 2,146 tons of coal to NEW CUSTOMERS at a selling cost of only 3 1/2%.

Another increased its grocery business 200% in nine weeks.

Another—a Ford Dealer—increased sales of new cars 23%, and used cars 42%.

Another received 36% replies from one letter and 28% from a second.

Another saved \$344 "in a typical month."

Another saved \$12,600 in a single year.

These are not unusual stories of success in getting business economically with direct-mail matter produced on the Multigraph. In our files are hundreds of voluntary letters telling similar stories of success. They come from retailers, wholesalers and manufacturers, from the biggest national advertisers and from little corner stores, and represent practically every kind of business.

## What To Do?

One of the commonest of all questions is "How's business?" Sometimes the answer is "Fine!"—but there are times when the answer is "Folks aren't buying." Nine times out of ten when a man is not satisfied with his business he'll say folks aren't buying.

Everybody knows there are some days in the week, some weeks in the months, some months in the year, some years in a decade when many business men expect to lose trade—and most of them do.

The man who can boost business on the poor days, increase his sales in the weak months and beat out his competitors in the bad years is the man who makes the biggest success.

The men who wrote these books are men of that kind. They were not satisfied to accept decreases in sales. They believed there was a way to get people to buy AND THEY FOUND IT. Their testimony is given in these books.

## These Free Books Contain an Answer That Fits Your Business



THE AMERICAN MULTIGRAPH SALES CO.  
1804 E. 40th St., Cleveland, Ohio

## The Other Book Tells HOW to do the Same Thing

This book—"Do Your Own Printing"—is filled from cover to cover with IN-VALUABLE INFORMATION. It is really the result of over twenty years of intimate, first-hand contact with the printing and advertising problems of literally thousands of business concerns. The book reflects the life work of successful business men—in every sort of business.

## The Costly Experience of Others is Free to You

The men whose experiences built this book worked out economies in printing and methods of sales-producing advertising by years of effort. They paid the full price of tuition in the hard school of competitive business.

Now, what they learned is free to anyone who asks for it. All you have to do is to fill out and sign the coupon below and you will receive both books without obligation.

They will answer every question you can ask about office-printing with the Multigraph, as well as its use for getting more customers at lower cost.

Operation is described in minute detail with many illustrations. The use of cuts, borders and different type faces is fully explained. Prices of different equipments, terms of payment, and other information enables you to decide exactly what you need for your own work. Several pages are devoted, also, to the service you can get in connection with direct-mail work or office-printing.

## Not an Obligation—An Opportunity

You incur absolutely no obligation by sending for these books. You will find in them scores of ideas of value to your business, whether you buy a Multigraph or not. You owe it to yourself to completely investigate something which has enabled so many thousands of other business men to get, not just a little, but a great deal more profit out of their business.

# THE MULTIGRAPH

## Why the Multigraph SAVES SO MUCH

The Multigraph reduces operating overhead; cuts out the "outside man's" profit; and entails no sales expense, advertising expense, collection expense and other items. Thousands and thousands of detail statements prove a saving by Multigraph users of from 25% to 75% of their previous cost of printed matter.

Then, too, you get what you want when you want it—in a few hours if necessary. No long delays—it is always ready to start work and works at high speed and low cost.

THIS COUPON,  
MAILED TODAY  
WILL BRING  
YOU FACTS  
THAT  
MEAN  
MONEY

Check  
Uses You  
Are Interested  
In and Mail  
Coupon Today.

My Business is.....

Name.....

Address.....Nat. Busi-5-25

Mail this to American Multigraph Sales Co., 1804 E. 40th Street, Cleveland, O.

## WAYS FOR YOU TO SAVE

### Printing

- ☐ Billheads, Statements
- ☐ Booklets and Folders
- ☐ Direct-Mail Advertising
- ☐ House Organs
- ☐ Imprinting
- ☐ Office-Forms
- ☐ Receipts, Checks, etc.
- ☐ Shop-Forms
- ☐ Stationery
- ☐ Store-Papers

### Typewriting

- ☐ Bulletins
- ☐ Form Letters
- ☐ Envelope-Stuffing
- ☐ Inside System-Forms
- ☐ Notices
- ☐ Price Lists
- ☐ Reports



# How About the Alien Property Fund?

By WILLIAM P. SIDLEY

*Vice-President and General Counsel, Western Electric Company, Inc.*

THE QUESTION as to what shall be done with the property in this country of non-resident German aliens which was taken over for safe keeping by the United States during the war, under the Trading With the Enemy Act, and known as the Alien Property Fund, has agitated the last two sessions of Congress and will undoubtedly be scheduled for final action at the next session in December.

Bills have been introduced in both Houses providing for the immediate return of this property to its former German owners upon the ground that its further retention by the United States will amount to confiscation of private enemy property, contrary to the historic policy of our Government and the enlightened conscience of mankind.

It is said by some that our national honor is at stake in this matter, and one of our foremost senators has gone so far in the course of debate as to assert that the retention of this property is in violation "of the soundest principles of morality, international decency and common honesty."

## Charges Fly Thickly

OTHERS charge that further delay in its return will seriously endanger our trade with foreign nations. On the other hand these charges of confiscation and threatened loss of foreign trade are vigorously denied and it is asserted with equal vehemence that, for reasons hereinafter referred to, the surrender of the Alien Property Fund at this time will be nothing less than a betrayal of the Lusitania victims and of thousands of other Americans who have claims against Germany, aggregating hundreds of millions of dollars, on account of loss and injury suffered during the war, and for whose benefit this Fund stands pledged to the United States.

It would seem that proposed congressional legislation which raises such important issues as those above mentioned, merits discussion and the careful consideration of the business men of the nation, and it is with that thought in mind that these personal views of the writer upon that subject are submitted to the readers of the NATION'S BUSINESS.

## The Berlin Treaty

WHATEVER may be said regarding the earlier history of the Alien Property Fund—and the writer knows of nothing in that connection which reflects upon our national honor—it is difficult to understand the charge of confiscation based upon its present retention by the United States, in view of the explicit provisions of the Treaty of Berlin upon that subject.

That treaty was entered into by the United States and Germany in 1921 for the expressed purpose of "restoring the friendly relations existing between the two nations prior to the outbreak of war." It dealt specifically with the Alien Property Fund now under consideration. After providing that the United States and its nationals should have and enjoy all rights and privileges which have been stipulated for its or their benefit in the Treaty of Versailles, and which included the express right to apply all property, rights and interests of German nationals in the United States to the payment of designated claims,

debts and reparations, and the undertaking on Germany's part to recompense her own nationals for any property so applied, the Treaty proceeds as follows:

Section 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals which was on April 6, 1917, in or has since that date come into the possession or under the control of or has been the subject of demand by the United States of America . . . from any source or by any agency whatsoever . . . shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law, until such time as the Imperial German Government . . . shall have made suitable provision for the satisfaction of all claims against (it) of all persons whosoever domiciled who owe permanent allegiance to the United States of America and who have suffered from the acts of the Imperial German Government or its agents . . . since July 31, 1914, loss, damage or injury to their persons or property . . . in consequence of hostilities or of any operations of war, or otherwise.

This provision gave to Germany a redemption right in the Alien Property Fund which she did not have under the Versailles Treaty.

If the language above quoted means what it says there are but two possible grounds upon which the immediate return of this property can be seriously urged; first, that the treaty is invalid and unenforceable, or second, that Germany has performed her obligations thereunder and already made suitable provision for the satisfaction of American claims. Let us consider these possible grounds in the order stated.

## Germany Does Not Charge Coercion

IT HAS been asserted that the Treaty of Berlin, like the Treaty of Versailles, was a coercive measure, forced upon a defeated nation without its real consent, and therefore not binding upon her. But Germany herself has never made that claim. On the contrary she has proceeded in good faith with the ascertainment of claims for damages filed against her, on behalf of American nationals, before a Mixed Claims Commission, created to liquidate such claims and her representatives before that Commission have insisted that the treaty was a voluntary one on Germany's part and that she is therefore entitled to certain benefits arising from that fact. It remained for members of the United States Congress, which ratified and approved that treaty, to make this extraordinary assertion.

Nor do the facts attending the making of the treaty bear out the charge of coercion. It was entered into three years after the Armistice, when the bitterness of war had largely disappeared. The United States had already, on July 2, 1921, on its own initiative, declared the war with Germany at an end, so that peace then existed between the two nations.

Germany undoubtedly desired the restoration of friendly social and trade relations with America and was prepared to pay for that privilege, but her situation in that respect did not differ in principle from that of every party to a contract who makes concessions in order to secure certain rights and privileges desired.

Furthermore, she made no concessions in appropriating the property of her nationals to secure the payment of her own obligations,

which she had not the sovereign power to make, and which other nations, including our own, have made on numerous occasions; and in that connection her express undertaking to compensate her own nationals for property thus applied is to be noted.

Finally, it is unthinkable that the Congress of the United States would have extorted from Germany, particularly in a treaty declaring its purpose to be that of restoring friendly relations, terms so onerous and unconscionable that they should now be rejected as indefensible by the very body that imposed them.

## Would Affect Our Own Rights

WE MUST conclude, therefore, at least until Germany calls her own acts in question, that the Treaty of Berlin was freely and voluntarily entered into on her part and should be accepted at its face value as a binding international compact. If other views prevail and, in consequence, the Alien Property Fund is surrendered at this time, the real question of national honor involved in this whole subject may easily turn, not upon the question of our treatment of German nationals, but upon our disregard of the rights of our own American nationals, for the satisfaction of whose wrongs that Fund now stands as security.

Whether Germany has as yet made suitable provision for the satisfaction of private American claims depends upon the view which Congress takes of her acceptance of the Dawes Plan, and the value which it places upon the allotment out of the proceeds of that plan, recently made to the United States at the Paris Conference to apply on the claims of its nationals against Germany, as finally allowed by the Mixed Claims Commission.

That allotment, being 2¼ per cent of the amounts paid annually by Germany under the Dawes Plan, applicable to reparations, can never exceed, under the terms of the agreement, the sum of forty-five million gold marks, or approximately \$11,000,000 annually, and in actual practice may not yield over one-half that sum. It is to be noted, moreover, that this allocation of payments was not made by Germany, which was not a party to the Paris Conference, but by the other powers entitled to reparations under the Treaty of Versailles.

## Acceptance of Dawes Plan

GERMANY'S only act toward making the provision for satisfaction of American claims referred to in the Berlin Treaty has been its acceptance of the Dawes Plan, which fixed the amount of its installment payments on account of reparations to all the allied and associated powers.

In consideration of such acceptance Germany was released under the provisions of the plan from all other or further payments on account of claims against her arising out of the war, so that the Paris allotment now constitutes the only source of payment of these American claims, aside from such rights as the United States may have in the Alien Property Fund.

That the proceeds of the Paris allotment will be wholly inadequate, if directly applied to the payment of these private claims of American nationals, is at once made clear

## PACIFIC COAST TRADE AND GOOD-WILL TRIP of the BROOKLYN CHAMBER OF COMMERCE

May 17 to June 14, 1925

Chicago  
Kansas City  
Denver  
Colorado Springs  
Albuquerque  
Grand Canyon  
San Bernardino  
Los Angeles  
Santa Barbara  
San Francisco  
Portland, Ore.  
Seattle  
Vancouver  
Lake Louise  
Banff  
Winnipeg  
Niagara Falls



Brooklyn is one of five boroughs making the City of New York. It has an area of 81 square miles and a population of 2,300,000.

Brooklyn is fourth in the United States as an industrial center, being exceeded only by New York City as a whole, Chicago and Philadelphia.

The annual value of Brooklyn's products totals \$1,184,000,000.

Brooklyn has 201 miles of waterfront; handles one-fourth of the foreign commerce of the United States; has 700 steamships docking at its piers, plying between 92 countries.

Brooklyn has 334 warehouses served by twelve railroads.

Brooklyn is the greatest home community in the world.

For the last three years Brooklyn has led the country in new residential building.

Brooklyn is third in the United States in school enrollment having 330 public and private schools and 475,000 students.

Brooklyn has 86 parks and playgrounds covering 2,428 acres.

Brooklyn's department stores are among the best. There are modern theatres, adequate hotel facilities, rapid transit, a wonderful bathing beach and boardwalk at Coney Island.

Brooklyn is easily accessible by rail and water.

# BROOKLYN CHAMBER OF COMMERCE

BROOKLYN, NEW YORK CITY

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when we consider that the lowest estimates of the total amount of these claims, which will have been allowed by the Mixed Claims Commission when it finishes its work, is between two hundred and two hundred and fifty million dollars.

These awards bear interest at 5 per cent, so that the maximum annual allotment of eleven million dollars will just pay interest on \$220,000,000 of awards and leave nothing to apply on principal, while five and one-half millions would pay interest only on \$110,000,000 of awards. This allotment is made, however, to the United States of America directly, as the official creditor of Germany, but for the benefit of its injured nationals, and it is for the United States to distribute this money as it may see fit among its citizens entitled thereto.

It may be that Congress, whose duty it is to determine whether Germany has made such suitable provision for the satisfaction of these claims as entitles her to receive back the Alien Property Fund, will decide, upon full consideration of all the arguments advanced in favor of a speedy surrender of this property, that it is to the interest of the United States to accept the allotment from the proceeds of the Dawes Plan as such suitable provision, notwithstanding its apparent inadequacy, waive all further rights against the Alien Property Fund, and thereupon surrender to Germany the security which she has placed in our hands.

Such action should only be taken, however, in connection with, and as a part of, a plan by which the American nationals entitled to reimbursement from Germany would be paid at once the full amount of their awards. Their case is wholly in the hands of their government and justice towards them demands that they be given first consideration in any such surrender of the security held for their benefit.

It would be unfair to compel them to finance, through a partial or long-delayed payment of their just claims, an act which would be taken for the advantage of the nation as a whole.

#### Nation Should Foot Bill

THE NATION, not its war sufferers, should foot the bill, even if an appropriation from Congress were found necessary for that purpose.

The only possible alternative to the above plan consistent with justice to American claimants and with the terms of the pledge itself would seem to be the retention of the Fund until the terms of the Berlin Treaty are complied with, or if that is shown to be impossible, then until the pledge can be foreclosed in accordance with recognized rules of law upon that subject.

An appropriation by Congress is not necessarily involved in a plan for present payment of the American claimants. Suggestions have already been made both in and out of Congress looking to such payment through the issue of bonds by the United States, the interest on which could be currently met and the principal amortized or called and paid from time to time out of the annual receipts under the Paris agreement already referred to.

Under that agreement there is payable to the United States annually in addition to the 2½ per cent for reparation claims, \$5 million gold marks, the equivalent to thirteen million dollars to reimburse it for the costs of its armies of occupation, which payments are made a first charge on Germany's remittances under the Dawes Plan and are cumulative. By postponing reimbursement of the army costs and using both of these sources of payment, the necessary bond issue could apparently be

taken care of within a relatively short period of time.

This is primarily a question for our Treasury experts to settle and may prove to be impracticable, but it would seem to be well worth considering even though it might involve a possible deviation in so good a cause from usually recognized rules of Treasury procedure in such cases.

#### Congress Should Act

ANOTHER suggestion has been made: that the Alien Property Fund with its accumulated earnings of some thirty million dollars, might be utilized in the interest alike of American and German claimants. This suggested action may offer a full or partial solution of the problem.

This whole subject of American war claims and the Alien Property Fund should be disposed of by Congress at its next session. All the pertinent facts will then be before the legislators, including knowledge of the utmost Germany can hereafter do in the way of reparation payments; and there would seem

to be no occasion for any further delay.

Already more than ten years have passed since many of these claims arose, and for a like period the original owners of the present Fund have been deprived of their property or recompense therefor. Justice toward both sets of claimants demands prompt action in the matter.

But even more important than prompt action is *right* action on the part of Congress. Much will be said at that next session, as has been said at earlier ones, in connection with the immediate return of this Fund to its German owners, regarding our sacred obligations toward enemy private property. As to those obligations there can be no dispute.

It is to be hoped, however, if justice is to prevail, that more will be heard in the future than has been heard in the past to the effect that the inherent duty of our Government promptly and fully to redress the wrongs of its own citizens is no less sacred than its self-imposed duty of holding inviolate the property of alien citizens during time of war.

## Cutting Down Our Fire Losses

RICHARD F. GRANT, president of the National Chamber and chairman of the Board of Judges of the Inter-Chamber Fire Waste Contest, announced the unanimous selection of Indianapolis as the winner of the grand award for the best record in fire prevention during 1924 of all cities in the contest. Fresno, Calif., got the award for competing cities with a population between 50,000 and 100,000. Findlay, Ohio, led all cities having a population of between 20,000 and 50,000. Albany, Ga., was given first place in cities with populations under 20,000.

The results of the contest are most encouraging. Sixty per cent of the cities showed a reduction in fire losses to property; 68.5 per cent of the competing cities reported a reduction in life loss. Taking all the cities reporting to the Board of Judges as a whole, there was a reduction in fire losses of 10 per cent while the population was increasing 11 per cent. The records of the competing cities show an actual saving of \$4,000,000.

During 1924 the loss due to fire for every man, woman and child in the United States will be about \$5. During 1923 the per capita fire loss for cities in the Inter-Chamber Fire Waste Contest was \$3.24, while in 1924 this was further reduced to \$3.10. This indicates that fire waste can be reduced when properly approached.

The number of cities interested in the contest has been rapidly increasing. Today there are 375 cities representing more than 30,000,000 inhabitants which have filed formal entry blanks. Each of them has an organized fire prevention committee representing the outstanding business men, city officials and local civic organizations and functioning through the local chamber of commerce.

In order that they may have the best information and assistance possible, the fire prevention organizations comprising the National Fire Waste Council are constantly sending their experts to various cities in the contest for consultation and addresses.

The Insurance Department supplies, at regular intervals, printed material and suggestions for local service. All this is intended to help local chambers of commerce render the most effective service to their community in the saving of life and property from the ravages of fire.

It is hoped that the readers of NATION'S BUSINESS will volunteer their services to the

secretaries of their local chambers or civic associations for this purpose. The experience of the contest indicates fire losses can be reduced, but it is up to the policyholders, acting collectively through their chambers of commerce, to do it.

Regardless of the excellent assistance and leadership of the conservation services of the fire insurance companies, no one but the policyholders can materially reduce the \$500,000,000 lost annually to America as well as 15,000 lives.

## Need "Fifty-foot" Shelf

CONSIDER the responsibility a citizen assumes when he becomes a member of a State legislature. In order to meet the duties of his office intelligently he should have practical experience in all of the subjects that take up the space of the latest encyclopedia.

Here is a list of only a very few of the bills introduced in one of our forty-eight legislatures—that of Massachusetts—at the present session. What a range of human knowledge they cover!

For Public Defenders for Alleged Felons,  
For Trials without Indictment,  
Method of Reporting Dangerous Diseases,  
Qualifications for Chiropractic,  
State Purchase of Radium,  
Government Maternity Control,  
Board to Regulate Osteopathy,  
Wages for Convicts,  
Destroying Finger Prints after Acquittal,  
Advisability of a Greater Boston,  
Against World Court,  
To Inform Voters by Printed Arguments Pro and Con,  
Cities to Build Houses,  
Commonwealth to Build Houses,  
Aid for Certain Relatives of Children 14-16,  
Three Million Dollar Bureau to Enforce the Volstead Act,  
Government Ownership of Boston Elevated and Street Railways,  
Pensions for Widows and Laborers,  
Assistance to Small Towns to Acquire Resident Physicians,  
Nurses and Nurse Attendants.

These are about one-fortieth of the bills of similar nature encountered by the legislator of Massachusetts this year and are only those of a social-welfare nature.



1	2	3	4	5	6	7	8	Type of Insurance
Clean-up	Mortgage	Family monthly income	Children's education	Business Insurance	Inheritance taxes	Bequests	Yourself	

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- |   |  |
|---|--|
| 1 Cash to pay outstanding bills or debts          | 5 Funds to keep business running or buy deceased associate's interest. |
| 2 Lump sum to pay off mortgage                    | 6 Cash to pay Federal and State Inheritance Taxes                      |
| 3 Income policy to pay the family's monthly bills | 7 Gifts to Charities   |
| 4 Money for the children's education              | 8 Either lump sum or income for old age                                |

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# Some of the Manufacturer's Wastes

By IRVING S. PAULL

A FARMER was unable to harvest his wheat crop because the ground was too wet. The binder slipped and slid in the mud instead of operating in its accustomed manner. So he mounted the binder on skids, attached a light gasoline engine to the reel and sickle, and harvested his crop. He thoughtfully secured a photograph of the equipment and sent it to the manufacturer of the gasoline engine.

The manufacturer thought the photograph interesting and tacked it upon the wall of his office, to be forgotten in the midst of very serious business problems. However, the photograph was to be the means of saving his business from failure.

Located nearly 200 miles from the nearest navigable stream, this manufacturer was specializing upon the production of a light gasoline marine engine for pleasure craft. Without knowing that the market was already overcrowded he was endeavoring to compete with engine builders located at waterside. Like many another manufacturer, he was concerned only with production.

## A Question of Viewpoint

HIS CAPITAL depleted and his resources almost exhausted, he was trying to secure additional capital. A prospective investor happened to notice the photograph of the light gasoline engine operating the mechanism of a binder. He appreciated the value of a utility engine which not only would operate a binder in a wet field but would perform innumerable services on a farm.

Here was a product of serviceable value to hundreds of thousands of farmers over the whole country. The need was apparent, the selling cost would be low, and production could be organized on a volume basis. The thought of manufacturing marine engines, for a limited demand in a distant market which was even then oversupplied, appeared absurd in comparison with a more certain market and one of easy access.

The difference between success and failure was only a question of viewpoint. The man who could see the whole problem had no difficulty in solving it, while the man who could see but one phase of the problem could find no solution.

This was not an isolated case. There are many concerns throughout the country operating at a disadvantage because of overlooked factors. Management is often so close to the detail of its operations as to overlook the importance of location, in its relation to the source of raw materials, accessibility of market, adequacy of labor, availability of fuel, or power, transportation and financial resources.

Lacking a broad view of production and distribution, it frequently starts with handicaps that constantly work to its disadvantage.

Sometimes changes in conditions create handicaps which are not always recognized. For instance, a manufacturer of machinery had retained his location in one of the large cities while property became increasingly valuable and congested.

The possibility of securing switching facilities had long passed and every pound of

"THE WASTES in a great many institutions are much greater than the profits; and the most obvious wastes are often the last to be discovered, because they generally are the result of habit or custom," says Mr. Paull in pointing out a number of savings that might be made in manufacturing. This is the fourth of a series of articles on distribution. In the next Mr. Paull will discuss "Waste Is What Part of Price?"

material and product had to be hauled about twenty blocks to and from his plant. One of his customers objected to the price quoted on equipment and visited the factory in the belief that he could make better terms with the manufacturer than with his salesman.

The customer recognized the wasteful cost of inconvenient location and suggested to the manufacturer that if he were located on belt-line trackage with switches into his plant he could reduce operating cost to the point of lowering prices.

The subject had been discussed on previous occasions, but it came with new emphasis from a desirable customer. A survey was made, and it developed that the factory would sell at a price that would provide, not only an abundance of space and a modern factory, but fully equip it with the most modern manufacturing facilities and still leave a balance to go into surplus. The cost of production in the new plant proved to be approximately 21 per cent less than the cost of manufacture in the old plant.

To an outside observer the situation seemed most obvious, but the manufacturer and his organization had become accustomed to the location during a period of years, and the changes had been so gradual as to not impress them greatly.

The time is rapidly approaching when institutions will be unable to survive some of the handicaps which management unconsciously places upon them. Competition is compelling the elimination of every unnecessary expense. Waste not only must be avoided, but it must be sought out and removed.

## Toward Coordination

THE TENDENCY toward coordination of activities in the production of raw materials, manufacture and distribution is rapidly developing. There are frequent references to the coming of vertical trusts which would control the production, transportation and conversion of materials and the distribution of the finished products. Some call it the "Ford Plan" and say that it is here.

Whatever the character of the organizations may be, it is certain that competitive pressure will compel every concern to overcome the disadvantage of unfavorable location and make certain the source and availability of materials.

Buying and selling are as important to the manufacturer as they are to the retail merchant. The frequency of turnover of materials and operating capital are as definite fac-

tors in manufacturing as they are in retailing. Speculation in raw materials is as impractical for the manufacturer as speculation in merchandise is impractical for the retailer.

This is demonstrated with increasing frequency. Not a great while ago a manufacturer was much astonished when his banker declined to make a loan of the customary amount.

"Why not?" asked the manufacturer. "Because you don't need it. You have money enough," replied the banker. "Your capital is in raw material, when it should be in operation. Sell your surplus material and you will have money to loan."

The banker was right. The manufacturer's financial statement showed more than \$100,000 in idle materials, and the manufacturer was asking for a loan of only \$25,000. The manufacturer released \$75,000 through the sale of materials and still had a surplus.

Before the sale he had more than eight months supply of materials on the basis of capacity production. Materials were constantly available in his own community and delivery seldom required more than three days, but in an earlier period materials were secured at a distance and transportation facilities had not been adequate to every requirement on all occasions.

## A Hobby for Buying

THE HABIT of buying heavily had continued long after the need had disappeared. Another factor in the situation was the fact that the manufacturer had a hobby for buying.

Possibly the fact that the banker's mother owned stock in the manufacturing plant had something to do with his generous advice. In any event it was valuable advice, because the saving on interest, rental value of storage space, insurance, trucking material from storage to the factory, etc., amounted to nearly 5 per cent on the operating cost of the plant.

To the banker and other outside observers the practice of unbalanced buying appeared wasteful and absurd, but it was simply a continuation of an established practice in that business concern. Buying control and organized management would have avoided that waste and expense, but many institutions are subject to the hobbies of the president, or general manager, because of insufficient control of buying, production, operation, personnel, sales policies, distribution and design, etc.

I am purposely presenting some of the most obvious instances of waste, because they are easily remedied by the concerns in which they occur. The wastes in a great many institutions are much greater than the profits. That statement is most thoughtfully made and is fully justified by facts of my own observation. The most obvious wastes are often the last to be discovered, because they generally are the result of habit or custom.

A plant with a normal capacity of 20,000 units per month produced only an average of 12,000. It seemed impossible to bring production up to the rated capacity of equipment and personnel.

The production manager was a large stockholder in the plant and resented any suggestion of production analysis. He wanted more

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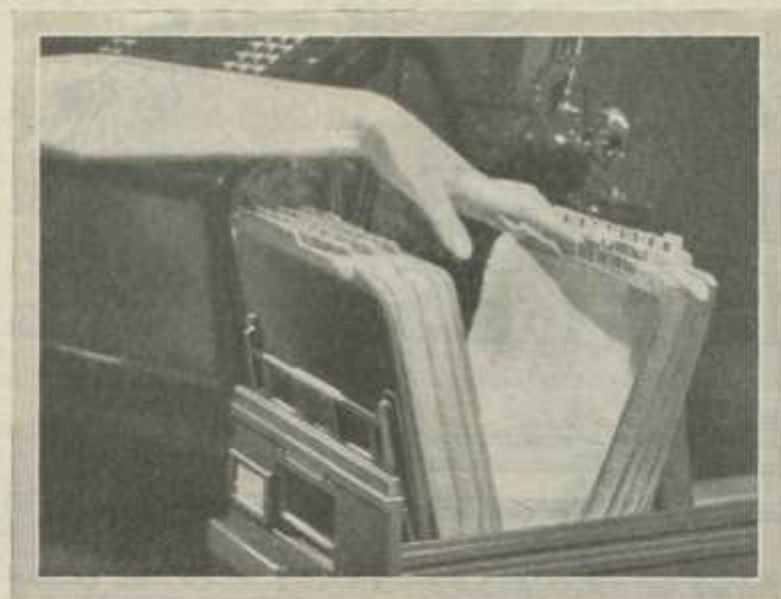
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equipment and a larger organization. The management demanded larger volume from the existing equipment and organization.

More than 7,000 units per month were produced under subcontract by outside manufacturers to afford sufficient volume to fill average demand.

After several months of disagreement, the production manager was compelled through illness to take a vacation that lasted three months. During the period of his absence the production averaged 20,500 units per month, but upon his return it fell to less than 13,000 units.

The reason was easily established. The production manager had been a skilled workman, then a working foreman closely supervising the activities of the men under his direction. He was unable to delegate authority or direct an organization through assistants. He endeavored to see every detail of operation in all departments and simply could not supervise larger volume.

### Had to Reorganize

REORGANIZATION became necessary. The plant produced normal volume after the production manager had withdrawn. He established a small plant in which he could direct all of the detail of production. Greater volume of production would be possible in many plants through the establishment of better organization and control of production.

Not a few plants are supporting the cost of operating excessive equipment and unnecessarily large organization because there is no clearly defined schedule of production and departments are not properly coordinated.

There are also plants which support overinvestment in equipment, because their owners have failed to recognize the limitation of markets. An instance of this kind: A small manufacturer of a special light machine, for a single type of work, in one industry, decided to expand his business. His output had sold steadily for a number of years through equipment houses, but he had never produced more than one hundred machines in a year.

He believed that large production would be successful and interested a group of men who invested with him in the development of a corporation with a capital of \$500,000. After the plant had been erected and equipped, a sales organization was created, but orders did not flow in.

A survey of the market developed the fact that the industry upon which he depended for his support consisted of less than 2,000 firms. Less than 2,000 possible customers in the entire country, and if they all purchased his equipment it would not overtax the capacity of the new plant to produce all of it in twelve months, and the total sales would be little more than \$1,000,000.

### Developed Other Lines

THE DEVELOPMENT of other lines saved the institution from disaster, but it still carries an overburden of investment in equipment. While it is frequently difficult to secure statistical facts relative to the extent of markets and other basic information, it would have been comparatively easy for that concern to have secured information as to the number of possible customers for its specialized product in advance of the construction of its plant.

Much valuable information can be secured from trade associations and local chambers of commerce, while the reference shelves of the local library often contain books of great value to the executive with questions to be solved on the basis of statistical facts.

The Chamber of Commerce of the United States, the United States Department of

Commerce and numerous national trade associations have information of the greatest value to executives and concerns planning considerable changes of policy or development.

Some executives are hesitant about asking for information for fear they will display an appearance of weakness or inexperience. The largest and most successful corporations in the country are constantly seeking information, and they maintain research and statistical organizations to afford their management every possible assistance.

The highest-salaried executives in the country ask for information and seek counsel. Why should not the head of any smaller institution in the country utilize the service he supports with taxes and membership dues, or which he can purchase with small expense? Members of trade associations usually fail to avail themselves fully of the assistance and information their organizations urge them to accept. The problems of waste elimination can only be solved through cooperation with trade associations and national organizations of industry.

Lack of forethought is often the source of great waste, and sometimes leads to disaster. A manufacturer used the by-product of a large plant as material for his product. In the course of a few years he built up an extensive business, but his volume was limited to the amount of material he could secure from the neighboring plant.

At a time when he had orders on hand for more than six months' production, he was notified that no more material would be available, because the producing plant had discovered a means of utilizing its by-product.

It required nearly a year of experimentation and research to find a satisfactory material from which to make his established product.

It was merely a matter of good fortune that the new material proved more satisfactory and economical than the previous material had been. The supply was not limited, and his business grew rapidly.

#### Could Have Saved Loss

**H**AD he displayed greater forethought he would have recognized his dependence upon an uncertain source of material and protected his business from disaster. He could have saved the loss of nearly a year's production and at an earlier time increased his volume of production.

The pages of industrial history are filled with records of concerns which were overtaken by changes that made their products or processes obsolete, because management failed to observe the tendencies and make proper adaptations. Human progress creates constant change, and many of the processes of today will be supplanted by the processes of tomorrow, just as the processes of yesterday have been supplanted.

Not all of the changes are the result of improved processes. Some are the enforced changes made necessary by social progress. A well-established foundry operated for many years on the production of a variety of household articles. The shift of population from country to city and from house to apartment created a demand for lighter and smaller utensils and conveniences.

That concern extended its sales territory from year to year to overcome the effect of diminishing demand, while other manufacturers were coming into the field with stamped steel, aluminum, and new designs, etc. Finally the demand dropped to the point of unprofitable production, but the market for new products had been captured by other manufacturers. Instead of adapting itself to

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the changing conditions, the old-established concern had tried to resist the new development, until it was too late to make the change.

The concern saved the situation only by developing new products in a different field; and by building a new market it reestablished itself in business. An institution with more limited resources would hardly have survived. Each year sees a dropping by the wayside of concerns which have outlived their usefulness and the development of new institutions which have small assurance of permanence.

Many of the new institutions engage in business in imitation of concerns which appear to be successful. Employees withdraw from employment to start for themselves in competition with their previous employers, without appreciating the difficulties that attend the industry.

A large plant recently went into the hands of receivers who faced the problem of determining whether to liquidate the business or advise reorganization with additional capital. The business had been established by a group of men, trained in production, to compete with the concern which had formerly employed them. They knew production and processes, but marketing and purchasing they did not know.

### Wastes at Each Stage

**T**HE CONCERN had lost more than half of its capital assets and would require more than \$2,000,000 additional investment to renew operation.

A survey showed that materials could be secured only from an industry with which the plant must compete in the sale of its products. The market in which its products must be sold was a specialized industry which was rapidly integrating, and indications pointed toward an assumption of all of the associated operations, which would, within possibly five years, leave the plant without market. The receivers recommended liquidation of the business and sale of the plant.

The survey should have been made in advance of development of the business, instead of as a basis for its liquidation. Much waste and heavy loss would have been avoided.

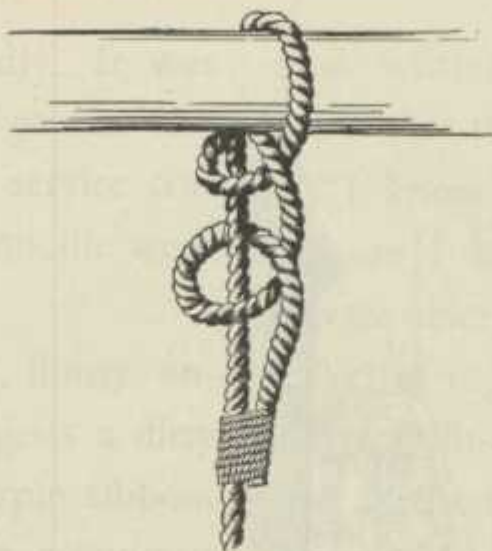
The facts in this case were most apparent after only a superficial observation. There are wastes at each stage of production and distribution, but there is no more fertile field for research and improvement than in the management of manufacture. Waste constitutes a burden upon products and increases the cost of living, but failure and loss of capital lead to misery and suffering of those whose savings are consumed.

Many basic facts are now available, but the most obvious and most frequent wastes can be avoided upon the basis of facts which are not only available but of easy access. The trade association is an immediate resource, and there are innumerable resources from which most valuable facts may be secured. However, many of the most important facts for management to consider are too close to it for recognition.

### Wealth versus Real Wealth

**P**RICES are rising—chiefly, as yet, in farm products.

Apropos comes to mind the report that the Bureau of Census sets the wealth of the United States in 1922 at \$320,803,862,000, a 72.2 per cent increase since 1912. A computation in simple proportion with index number figures, says *Commerce and Finance*, reduces the real gain to 12½ per cent, about the same as the increase in population in the decade.



## Making prevention doubly sure

Sailors use a clove hitch because it positively will not slip. The greater the strain the tighter the knot becomes. Yet it is recognized as good practice to "seize the fall," that is, to bind the loose end with marline to prevent the remotest chance of the knot's untying.

It is wise to apply the same reasoning to fire prevention. No matter how fire proof the construction of your plant may be; no matter how carefully planned your extinguishers or how conscientious your watchmen and your workmen, there remains one last precaution which should not be overlooked.

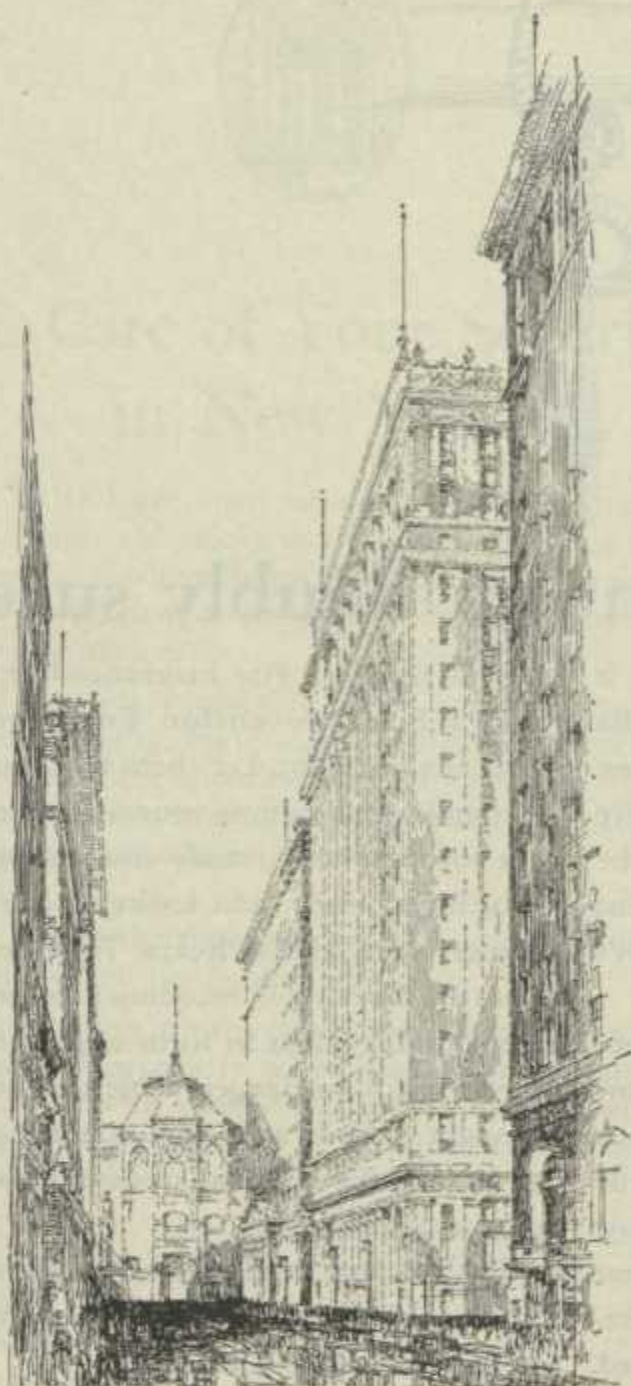
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## **One-Gallus Farmer, How About Him?**

By FOSTER BUTNER

*IN A recent issue of this magazine Robert S. Henry spoke up for the railroads. He pleaded with our business readers to lend their support to the railroads. His article struck a responsive chord in the mind of one reader, but—he thought something ought to be said for the farmer. He thinks the farmer gets worse treatment than any other business man. We are not sure he's right, but his point of view is interesting. Mr. Butner is manager of the Umpqua Broccoli Exchange, which ships winter cauliflower from Oregon to all parts of the United States.*

**T**HE ONE-GALLUS railroad and the difficulties it has in keeping its trousers where they belong, were discussed in recent issues of NATION'S BUSINESS by Mr. Robert S. Henry of the Nashville, Chattanooga & St. Louis Railway. He told the business men of America about the railroad rate structure, the need of many of our smaller roads for improved equipment, and, the effective work of the Government in preventing strikes.

In seeking a symbol for the poorly equipped, poorly financed railroad, Mr. Henry very wisely chose the one-gallus farmer. He assumed, very correctly, I think, that the present down-at-the-beel condition of both the one-gallus railroad and the one-gallus farmer was the result of the lack of capital rather than a lack of knowledge concerning the requirements of either railroading or farming. Since the railroad problem has been so adequately expounded, I want to tell why the one-gallus farmer wears a single gallus and how he may achieve two—or a belt.

### **Other Businesses Organized**

**M**Y EXPERIENCE includes four years as a retailer of fruits and vegetables, eight as a wholesaler, fourteen as a producer, packer, shipper and distributor of fruits and vegetables, in Kentucky, Tennessee, Georgia and Oregon. Frequently I visited Eastern and Middle West consuming centers, studying distributing methods. Since 1921 I have been manager of the Umpqua Broccoli Exchange, of Roseburg, Oreg. This organization has a membership of 250 farmers specializing in winter cauliflower (broccoli). Last season we shipped 280 carloads to produce dealers in practically every large consuming market in the United States and Canada. Our exchange belongs to two leading national trade organizations.

The present plight of American agriculture is the result, in my opinion, of the wonderful organization of practically all other lines of endeavor. While other business men have formed associations designed to promote the welfare of their particular industry, have studied accounting, advertising, depreciation, bad accounts, legislation affecting their business, and the thousand and one factors usually termed successful business, the farmer has kept his eyes toward the soil. Aside from joining some marketing association, he has done little or nothing towards securing for his business those safeguards deemed essential by men engaged in other lines.

The farmer himself is to blame for a factor in the creating of competition—the heralding to the world of his occasional record crop and fabulous prices, with little or nothing ever

"Here—read that," said Cleaves, thrusting a letter into my hand.

I glanced over it hurriedly. It was from Palliser, the financial genius who fathered those big public service corporations operating in the middle west, far west, and south.

The paper was that thin, flimsy, unsubstantial sort which suggests a dirty typewriter and a faded purple ribbon. It looked like a letter from a concern offering to reblock your hat at twenty-five cents under the usual price. But there at the bottom stood the signature of one of the most powerful financial men in the country.

When I looked up Cleaves exploded.

"Wouldn't you think that such a house could spend a little more for its letter paper? There's a signature good for almost any amount of money. But

it is written on about the cheapest paper that money can buy.

"I know how inconsistent this is, because I have been in old Palliser's private office. It has a Caen stone mantel, a Persian rug, a Circassian walnut desk, and a built-in humidior. The lettering and all the doors in the building were done in bronze by Tiffany.

"Everything about the place in the way of construction and decoration is designed to show that the house is sound, old, substantial—a good place to do business. And then they write their letters on stationery which says plainly, 'We are trying hard to make both ends meet!' There is only one paper which such a house should use for its business stationery—Crane's Bond."



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## For the fire that makes no smoke *lead paint is the extinguisher*

**N**EARLY fourteen million houses in this country are burning without sign of flame or smoke. Wherever unpainted surfaces are exposed to the atmosphere, they burn just as surely as when a match is applied. This burning, or combustion, involves oxidation, during which oxygen is taken from the surrounding air. There are three kinds of combustion—almost instantaneous, or explosion; rapid, or fire; and slow, or rot. Slow combustion is destroying the millions of houses mentioned above.

All combustion can be stopped by cutting off the supply of oxygen. You can keep the wooden surfaces of your house safe from *slow* combustion, or *rot*, by keeping them covered with a constantly maintained film of a paint that is impervious to air and moisture and does not crack or scale.

### Why people use Dutch Boy white-lead

Lead paint is a real investment because it gives this complete protection to wood. Thousands of master painters and house owners use Dutch Boy white-lead. Dutch Boy white-lead is *pure* white-lead. It contains no adulterants to cheapen it and rob it of its merits. It is *ground fine*. This insures a smooth, dense film with the maximum of spread. It makes a *tough, elastic and waterproof* film that sticks to the surface. Dutch Boy white-lead makes a paint film that *does not crack or scale* and has great *hiding power*. Users have learned to rely on the *unvarying uniformity* of Dutch Boy white-lead.

For exterior work use a combination of Dutch Boy white-lead and

linseed oil. For flat finishes (usually desired for interior painting) mix Dutch Boy white-lead with Dutch Boy flattening oil. In either case the paint can be tinted to any color desired.

### Send for this free paint booklet

We will be pleased to send you a new booklet, "Painting—Protective and Decorative." This booklet tells what paint is, what paint does, and why paint protects the surface. It contains color plates of house exteriors and interiors and also of interesting and unusual artistic wall finishes that can be obtained with paint. This booklet sent free on request.

### Other Dutch Boy products

In the famous Dutch Boy series of products besides white-lead, there are flattening oil, solder, red-lead, linseed oil and babbitt metals.

National Lead Company makes, in addition, lead products for practically every purpose to which lead can be put in art, industry and daily life. Among these products are die castings, Cinch expansion bolts, Hoyt Hardlead products for buildings, and printers' metals.

If you desire specific information about any of these or other uses of lead, write to the nearest branch of National Lead Company.



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published or said concerning his failures. Contrast such a policy with the one employed by successful corporations. Who has not read of the man who produced a thousand dollars or more, upon a small plot, in celery, strawberries, or other crop? Who has ever read of the enormous earnings of one of the transcontinental railroads in hauling one particular trainload of oranges, or lettuce, or cantaloupes, to market? It is merely an illustration of the two extremes in business methods.

No grocer, or real estate, or insurance man, goes around bragging about the profits or commissions earned on one transaction, because he knows that there will be periods of adversity to offset the prosperity. The farmer seems to overlook this entirely. Even when things are bad he remembers only the good times of the past, and sees visions of a prosperous future just around the corner. He could not be constituted otherwise; that is, and continue to be a farmer.

### Georgia's Peach Problem

**D**URING my residence in Georgia (1902-06), the peach industry was being exploited. One of the extravagant claims was that if all the tillable land in the state were planted to peaches the supply would still be inadequate to the demand. This claim was based upon cold figures, upon the basis that any citizen of our country once getting a taste of a Georgia peach would never afterward be satisfied with less than half a bushel during a season—entirely overlooking the fact that peach growers in numerous other states were at the same time entertaining a similar theory regarding their own states.

The result is that Georgia has a peach problem on her hands. The 1924 crop was a disastrous one to the growers, thousands of cars going to waste for lack of a market. In contrast with this, the carriers are spending enormous sums for improved facilities in the handling of peaches. They are urging the growers not to pull out their trees, as present conditions seem to warrant, but to continue the peach industry.

The products of the farm are subject to greater price fluctuation than are the majority of other products. Production upon the farm cannot be controlled so well as in the factory, and, unlike the manufacturer with an established trade for his product, the farmer, although he may have a brand for his produce, must sell his potatoes, apples or strawberries in direct competition with the same quality of product produced in his own or other localities.

### Cannot Hold Produce

**T**HERE are hundreds of dollars difference in the prices of various automobiles, yet the casual observer is unable to justify these price variations. And yet each make has a demand from folks who believe their choice worth the price. But where is the produce dealer with the ability to secure a hundred dollars more for a carload of "Our Pride" brand of potatoes, than for a car of similar quality and grade put up as "Oh! Look!" brand? The automobile dealer can hold his cars with slight depreciation over a dull period, and in the end receive something near the established price, based upon cost of manufacture, the freight, overhead, depreciation, bad accounts, manufacturer's profit, advertising, incidentals, and his own profit.

While this system might be attempted, and in fact has been recommended by our railroad friends, as a remedy for the fruit and vegetable farmers, it cannot be accomplished because in a glutted market in any of the perish-

# Do you get your money's worth when you travel?

One thing about which we never have a complaint in these hotels any more is our room-rates.

We haven't a room, you see, that hasn't its own private bath, circulating ice water, a full-length mirror, a bed-head reading lamp, plenty of conveniences that add to your comfort. And our rooms, our houses as a whole, are kept in new conditions—clean, bright, attractive.

*Yet our rates are unusually low, compared with those of other first-class hotels.*

We put a morning paper under your door—but it never shows up in your bill. Merchandise at our news and cigar stands is sold at the same prices street-stores charge. We protect you against tip-extraction, for unrequested service, in our public rooms and washrooms.

*But we don't overcharge you some place else—and thus risk losing the good-will those policies win for us.*

We give you a pleasant room, well-lighted, well-kept, comfortably furnished, with chairs you can rest in and beds that better your sleep.

You'll agree, though, that our rates give you bargains. You can get, for instance, a twin-bed room for \$5.50 (that's two people, \$2.75 each) in our western cities, from \$6.50 in Buffalo, and from \$7 in New York. Think of what rooms and suites, so reasonably priced, mean to you on an auto tour. Single rates are from \$3 in Cleveland, Detroit, St. Louis; from \$3.50 in Buffalo, from \$4 in New York.

And service? Statler service is rendered by well-built, well-seasoned organizations that operate under the broadest policies of guest-satisfaction known to the hotel world. And if some little thing does happen to go wrong, in this humanly-rendered service, we're right there to make it satisfactory to you in any way we can.



*You can be sure of getting your money's worth, and something more in these hotels.*

*Emerson*

**Boston Finally Gets a Hotel Statler**  
Construction is Now Under Way  
1300 rooms, 1300 baths

## Buffalo—and Niagara

The newest Hotel Statler (1100 rooms, 1100 baths) is in Buffalo—delightfully situated on Niagara Square. Across the street from it is the new Statler Garage, a marvel of convenience throughout—and especially appreciated by tourists viewing NIAGARA FALLS, which is but 20 miles away.

The old Hotel Statler in Buffalo is now called HOTEL BUFFALO.

# STATLER

Buffalo~Cleveland~Detroit~St. Louis

# HOTELS

## Hotel Pennsylvania New York

The largest hotel in the world—with 2200 rooms, 2200 baths. On Seventh Avenue, 31st to 34th Streets, directly opposite the Pennsylvania Railway Station. A Statler-operated hotel, with all the comforts and conveniences of other Statlers, and with the same policies of courteous, intelligent and helpful service by all employees.

**And Statler-Operated Hotel Pennsylvania~New York**

# STONE-TEX



*The Palmolive Plant is one of many that has discovered the economy and satisfaction in standardization on Truscon Laboratories Products in their maintenance work.*

**"Would Have Saved \$2,000.00—  
Will Last Indefinitely"**

*The Palmolive Company also use Bar-Ox Steel Paint, and estimate a saving of \$873.90 per year in painting 45 tank cars. Inside the plant Truscon Paints are used on walls, ceilings and machinery, and hold their color much longer than other paints.*

The Palmolive Company know paints. J. A. Schwantes, Works Engineer, writes:

"Before we adopt any paint, we give it careful tests under plant conditions. . . It is significant, therefore, that we use Truscon Laboratories paints. . . Three years ago we painted the exterior of our concrete building with StoneTex. If we had painted the building and protected the surface as soon as it was built we would have saved a repair bill of \$2,000.00. . . StoneTex waterproofs the concrete and prevents this sort of trouble. We have also painted a brick building with StoneTex. . . This paint has been on three years and will last indefinitely."

## Truscon Maintenance Service

Truscon Maintenance Engineers will gladly cooperate with you in solving your maintenance problems. Their wide experience is offered you without obligation or cost.

*Return the coupon for useful information.*

**THE TRUSCON LABORATORIES**  
199 Truscon Bldg. Detroit, Mich.



**TRUSCON**  
**MAINTENANCE**  
**ENGINEERING**

THE TRUSCON LABORATORIES, 199 Truscon Bldg., Detroit, Mich.

Send Free copy of StoneTex Color Chart and information on items checked:

- ☐ Waterproofing Concrete
- ☐ Stopping Concrete Dusting
- ☐ Preserving Wood Floors
- ☐ Interior Dampening
- ☐ Preventing Steel Corrosion

Name.....  
Address..... N.B. 3-25

able commodities the dealer has no alternative other than to accept what the buyers are willing to pay, and that price is based upon today's supply and today's demand. There are numerous instances where this price has proved to be far less than the cost of transportation.

Manufacturers frequently receive advance orders for their products. This enables them to increase or curtail production in accordance with existing conditions. No farmer would be safe in contracting a specified quantity and quality of produce for delivery at some future date. In the production of his crops he encounters numerous hazards against many of which he is unable to insure himself. His lettuce may be destroyed by either heat or cold and should the crop escape both of these there still remain disease and insects.

Under existing conditions large yields tend to depreciate prices, and while light yields frequently result in extremely high markets, experience has shown that these high prices are usually of no advantage to the grower because of the small harvest and the increased cost of harvest coincident with covering a large acreage.

And so we are wearing a single gallus, not because we are opposed to two, but for the simple reason that under the present conditions we cannot afford two.

## Need Better Equipment

OUR NEED, like that of the one-gallus railroad, is improved equipment and facilities. In addition, however, we lack some of the essentials we think are already possessed by the railroads—proper consideration at the hands of our legislators and the education of the public concerning our vital problems. We do not desire legislation along lines of benevolence; what we desire is equal opportunity. The business of farming, like that of railroading, demands capital, labor, and a fair return upon the investment. The average farmer would like to see the railroads prosper, and to see prosperity crowning his own efforts. He is opposed, however, to the idea of stabilizing the revenue of the one upon a cost-plus basis, and leaving the other at the mercy of all the winds that blow. Our attitude is not one of jealousy because of the other fellow's good fortune, but is based upon the age-old law of self-preservation.

Cooperative organizations have been and will no doubt continue to be of great service to the producer, but there is a limit to their beneficial functions. Our Exchange performs a real service in assembling in carlots the produce of its members, in disposing of these carloads to city jobbers, but if the Chicago market, for instance, is \$1.50 per crate on broccoli, how are we going to induce our jobber to pay over 50 cents or 55 cents f.o.b. Roseburg, when the freight in carlots is 81 cents per crate? The actual cost of production is between 80 cents and 90 cents per crate, and this estimate includes no salary for the one-gallus President—Secretary-Treasurer-Manager—day-laborer-farmer. The jobber, in order to do business, must have a reduction in delivered costs. The railroads will not grant it, so we are compelled to lower our price.

In our humble opinion the three major burdens of the one-gallus farmer are high freight rates, high taxes, and lack of modern business methods, but the greatest of these is high freight rates. One of the greatest needs of the farmer is a well-organized public relations committee. And I feel sure that Mr. Henry would agree with the contention that the telling of our trials and tribulations to the other fellow is of inestimable value to us.

# Can I have this folder for a dollar?



WHAT would you say—if a man walked over to one of your files and took out a folder of correspondence or other papers? Would you let him have them for \$1.00—sight unseen?

Of course not! You know that the success of your business may depend largely upon the written records in that file.

Yet fire doesn't give you a chance to refuse. Doesn't give you the opportunity to select the most valuable papers and save them. Any day . . . any minute, even . . . fire may burn up every record in your office. A stagger-

ing loss—perhaps failure—may result.

Why take this chance? You can't insure your records—but you can protect them before fire comes—and for a fraction of a cent per folder too.

The Safe-Cabinet Man will gladly tell you how. Without cost or obligation, he will present a written report of permanent value to your business—analyzing your fire dangers and telling you now, before fire comes, what the probable loss to your business would be if your records burned. He will also recommend the exact

kind of protection needed for your different records.

Safe-Cabinet Record Protective Devices combine convenience, economy of floor space and beauty with the most practical degree of fire protection man has yet devised. Safe-Cabinet files, desks, safes and vault doors all bring certified fire protection—proved by tests much more severe than even the terrific punishment of modern fires.

Take advantage of Safe-Cabinet Service. It may save your business any day. Phone the nearest Safe-Cabinet Man, or write or wire

## The SAFE-CABINET COMPANY, Marietta, Ohio

THE SAFE-CABINET COMPANY of Canada, Limited, Toronto, Ontario

The largest manufacturers of Record-Protection Devices in the world



**The SAFE-CABINET**  
Made in 83 sizes and models, with Slide-in, swinging, or automatic self-closing and locking doors.



**The SAFE-FILE**  
For the great bulk of records of reference value, the Safe-File provides predetermined and certified protection.



**The SAFE-DESK**  
Made by combining two 2-drawer Safe-Files with a linoleum desk top. Other office furniture can be made by combining Safe-Cabinet units.



**The DRAWER-SAFE**  
Certified protection for offices of professional men, homes and small businesses.



**SAFE-CABINET VAULT-DOOR**  
Certified fire protection. Safe-Cabinet Vault Equipment conserves costly tiling space in vaults.



# FISK

NON-SKID CUSHION  
SOLID

## "We are equipping all of our 17 trucks with Fisk Non-Skid Solids"

That's what the Fuller Motor Delivery Company decided to do after trying a pair of Fisk 40 x 12 non-skid solids.

They say:

*"Thirteen months ago we purchased our first pair of 40 x 12 Fisk non-skid solids and applied them to our dump truck No. 20.*

*"These tires have been in continuous use ever since and to date have delivered over 13,000 miles and still the non-skid design is not yet worn smooth.*

*"Needless to say, we are equipping all our 17 trucks with Fisk non-skid solids as our other equipment wears out."*

You will be as pleased with Fisks as this Company is. Next time try a pair of Fisk Non-skid Solids.

### The Fisk Tire Company, Inc.

Chicopee Falls

Massachusetts



Time to Re-tire  
Get a FISK  
MADE WITH RUBBER & S. PAT. 1917

## The South to Display Its Wares

THE SOUTH is going to show New York what it can do. The "show," called the Southern Exposition, is to be held at the Grand Central Palace from May 11 to May 23. Primarily it is to set forth what the South can do industrially and agriculturally and what it has in the way of natural resources.

The exhibition will occupy three entire floors of Grand Central Palace, affording more than 140,000 square feet of space. The decorative scheme will be semi-tropical. At the head of the flower-lined marble stairway leading in from Lexington Avenue there will be erected a typical southern home with all white columns, spacious verandas and open doors.

The main inside feature will be a garden and a grove of orange, lemon and grape-fruit trees of full size, some in bloom and others laden with fruit. In the center of the garden will be Ponce de Leon's "Fountain of Youth." Hanging from above will be masses of Spanish moss, and the balcony will be festooned with jasmine, smilax and other vines. Four state exhibits, each occupying 7,000 square feet, will take up the remainder of the space on the main floor.

The mezzanine floor will accommodate three state exhibits and the various orchestras.

The feature of the third floor will be a cotton field in full bloom, and the remaining state exhibits. Few northern people have ever seen cotton growing, and it is expected that this floor will prove one of the most popular in the exposition.

The states that seek the development of their agricultural and horticultural resources will show the possibilities through actual products, in addition to being prepared to furnish every item of information that would serve to enlighten the prospective investor.

It is expected that the mineral displays will be among the most extensive, and that they will carry the greatest interest for those outside of the territory represented in the exposition. More than half the iron ore of the country lies in the South, with 75 per cent of all the coking coal and deposits of lignite, natural gas and oil. It already furnishes the bauxite for the aluminum industry of the country, and there are immense deposits of kaolin in Virginia, the Carolinas, Georgia, Florida and Alabama as raw materials for this same industry.

During the course of the exposition each state will be assigned a special day for its exhibits.

## Plant's First 100,000 Fords

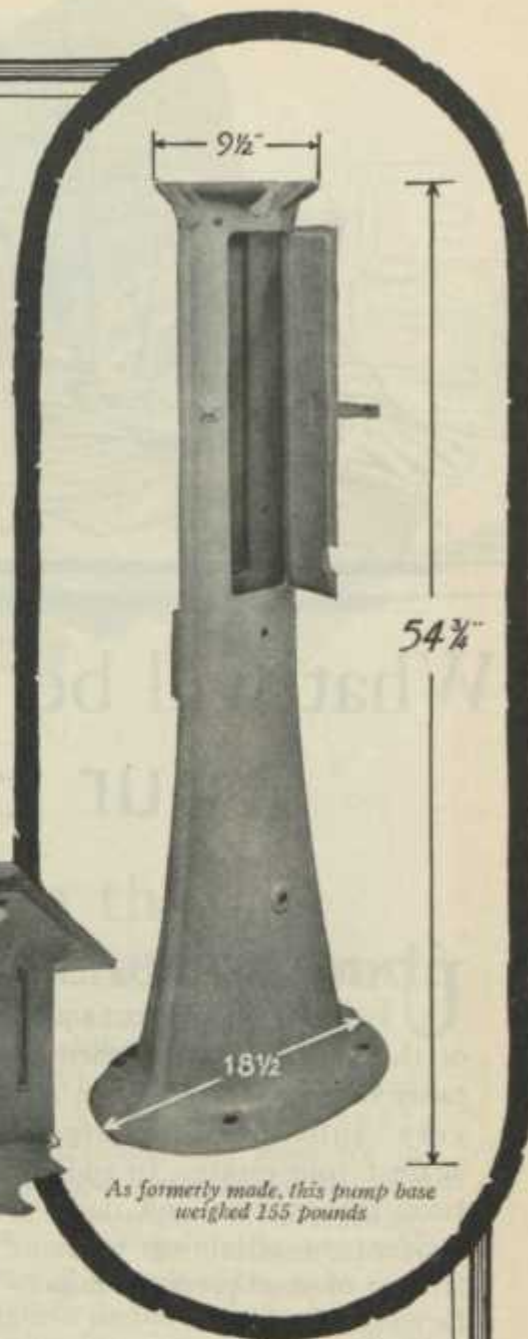
DOWN in Argentina a Ford assembling plant was opened in 1914. That plant has just celebrated—ten years later—the assembling of its one-hundred-thousandth car. Many distinguished guests were invited to watch the turning out of the record-marker, and the assembling process they witnessed occupied, from the laying of the first piece to the final adjustment of the complete automobile, just twelve minutes.

The North American automobile has far outdistanced all competitors for South American trade. This is because of low price, good product, and availability of spare parts even in most out-of-the-way places. Merchandising methods and reliability in fabrication are also said to have impressed South American purchasers.

## Manufacturers of Metal Products Are Making Big Savings Through the Use of Sheet Steel

Pressed metal engineering and its achievements in redesigning cast and forged products for production in pressed metal form a fascinating chapter in the history of industrial progress. Remarkable savings in weight and in shipping expense; simplified manufacturing processes, with greatly reduced manufacturing cost; better and stronger products—these are results produced in almost every branch of industry.

The base for a gasoline pump here illustrated is only one of the wide variety of products which have been thus redesigned. As formerly made, it weighed 155 pounds. In pressed steel, it weighs 60 pounds, with greater strength, and costs considerably less to manufacture. A better product—less cost—greatly reduced freight charges.



*As formerly made, this pump base weighed 155 pounds*



*This filling station is built of sheet steel walls, with steel frame, and roofed with steel tile. Attractive, durable, highly fire resisting, economical construction*



*As redesigned in pressed steel, it weighs 60 pounds*

In the automotive industry pressed steel parts have developed many advantages in manufacture, and amazingly large economies. In agricultural machinery, electrical equipment and railway and power plant applications, similar results have been achieved. In fact, for almost every branch of industry, pressed steel has reduced manufacturing and shipping costs, with resultant economy and efficiency. And this is only one of the many ways and forms in which sheet steel is performing a continually broadening service.

If you manufacture anything requiring metal parts of great strength, it will pay you to learn what pressed metal can do for you. Our booklet, "The Service of Sheet Steel To The Public," will interest every business executive. Write for it.

**SHEET STEEL**  
TRADE EXTENSION COMMITTEE  
715 OLIVER BUILDING  
PITTSBURGH PENNSYLVANIA



## What will be the value of Your Estate After Taxes?

**U**NDER the laws of the Federal Government and of the various States, inheritance taxes may amount to a very substantial charge against your estate. In addition, the expense and delay incident to obtaining transference of your property may be considerable.

It may be important to you, therefore, in connection with the making of your will, to give consideration to the character and present distribution of your property.

The modern trust company, which daily faces problems of estate taxation and has a specialized organization for handling such matters, may be

of great assistance to you in arranging your holdings so as to reduce to a minimum the amount which may be chargeable to your estate.

Not only is such a service available to you *now*, but an extremely valuable service in intricate tax matters will *later* be rendered to your beneficiaries, if a trust company is appointed executor of your will. The proper adjustment of inequitable tax levies, speeding up action in the various complex processes of obtaining waivers, and carrying out various administrative requirements—all these are parts of the service rendered by the trust company as executor.

**Ask your Trust Company about this Service**

**TRUST COMPANY DIVISION  
AMERICAN BANKERS ASSOCIATION  
110 EAST 42nd STREET, NEW YORK**

## Try These on Your Foreign Expert

By CHAUNCEY DEPEW SNOW

**E**VERY one who worms his way into print on export trade has some wise cracks for the American exporter.

"Give the foreign buyer what he wants, not what you think he ought to want."

"We must learn how to pack our goods for foreign shipment."

"We can't expect to get the trade if we don't grant credits."

"American hustle won't go abroad. The foreign business man is a gentleman and expects those with whom he deals to meet him socially first. Often there are several visits necessary in which only the social amenities are entered into. Then, possibly, at tea in the business man's home, casually, and placidly, as it were, the matter of business may be broached."

And, O Yes! That other one. "You can't do business with 'those people' unless you are 'simpatico'—you must know their history, customs, likes and dislikes, and treat them with marked courtesy and consideration. Speak to them in their language, recognize their point of view."

**Profit?—Oh, Dear, No!**

**I**MAGINE an American concern that gets all worked up over bucketfuls of this valuable advice. The export department is all dressed up in spats and chamois gloves, carries a stick (not a night-stick), has half a dozen foreign-language sets on the phonograph, has read all the books on "Etiquette among the Latins," "Etiquette among the Occidentals," "Etiquette among the Orientals—Far and Near," and so on, and otherwise has spent years of time and enough money to cause a reduction in dividends and the surplus account: the export department simply must be simpatico! It must be able to carry on business without ever intimating that it is business—certainly without any faint breath of suggestion of such a sordid thing as profit. Oh, dear, No!

And of course each part of the world has its own individuality, its own punctilios, its own idiosyncrasies. Further than that—East is, of course, East, and West is, to be sure, West! A very, very important point to be borne in mind—that last.

After the export department has thus polished itself up, even burnished itself, on the approved lines, imagine it receiving a letter like this from a client east of Suez:

Gentlemen:

Referring to your charge dated May '27, covering one Box merchandise, from Chicago, we wish to call your attention to the fact that you have overcharged us \$2.50 on the freight paid, therefore we will kindly ask that you send us Draft on Shanghai in the sum of \$2.50.

Your statement of 15 cubic feet is incorrect. Your charges Clearance and Service are too high, however we appreciate the fact you petty larceny thieves must make a living, but when you go too strong there is going to be trouble.

We speak very plainly, because our many years dealing with you and your kind tells us from evidence in our files that you are pure and simply petty larceny thieves.

Also we wish to call your attention to your charge dated July 15, covering forty boxes merchandise. We have been receiving freight from New York by this line at \$10.00 per ton. We were unable to ascertain from the Steamship Company here just how much you have tried



## What is the depositor's share in the prevention of check fraud?

Here is the answer recently given by the President of the American Bankers Association:

"Forgeries, check alterations and the negotiation of bogus paper are primarily crimes of opportunity," Mr. Knox said. "The criminal's opportunity arises from incautious practices by bank customers and bank people. We are aiming to do away with such practices. A great proportion of loss is preventable. Greater attention to seemingly unimportant details and strict adherence to rules

against honoring checks for strangers without proper identification are imperative."

James E. Baum, Deputy Manager, in charge of the Association's protective activities, stated that of the \$100,000,000 annually lost through fraudulent check operations, it is estimated 99 per cent falls upon individuals and firms. He pointed out that the willingness, especially of hotels and merchants, to accept "scraps of paper" from strangers and rely on insur-

ance to avoid loss, is an act of contributory negligence.

When the American Bankers Association feels so strongly the need for increased vigilance on the part of depositors, it is certainly time for the business man to avail himself of the most complete method of check protection in existence. The Todd Company, Protectograph Division, 1174 University Ave., (Est 1899), Rochester, N. Y. Sole Makers of the Protectograph, Super-Safety Checks and Todd Greenbac Checks.



**1** The Protectograph, it is estimated, eliminates at least one-third of all check frauds by preventing raised amounts. The Protectograph is made in a variety of standard models, one for every type of business, priced from \$57.50 up.



**2** Todd Greenbac Checks, with their patented self-cancelling features, eliminate another one-third of possible check losses by preventing change of payee's name, date and number and "counterfeiting." Todd Greenbac Checks are designed for business and personal use. They are reasonable in price—even in small quantities.



**3** Standard Forgery Bonds cover the remaining check-fraud possibilities, namely, forgery of signature and forgery of endorsement. Qualified Todd users receive standard policies at the most advantageous discounts.

## TODD SYSTEM OF CHECK PROTECTION



When writing to THE TODD COMPANY please mention Nation's Business

*Two Hundred and Twenty-Five  
Thousand Copies*

# NATION'S BUSINESS

## CONVENTION NUMBER

(Reporting the 13th Annual Meeting of  
the United States Chamber of Commerce)



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# NATION'S BUSINESS



Washington

to steal from us, however we will have the definite information very shortly which we will impart to you, however in the meantime if you wish to come through with the pilfered amount, it will save further correspondence.

Also come through with \$4.25 on the Insurance, which you have charged us just double the actual cost to you. We are receiving on an average of one hundred policies per month covering shipments to us from all parts of the United States and we never pay over 1 per cent for the insurance which you have effected.

It may interest you to know that we have one man in our office who does nothing but figure up invoice charges. Therefore when we term you a bunch of petty larceny thieves we are so correct that we always get a check in settlement, which we expect from you by return mail, as we have letters from the Steamship Companies showing just what you paid, and if you do not kick back on the insurance we will get a letter from them to substantiate our contention, and if this does not settle the matter we will carry it to the Chamber of Commerce of China for forwarding to the Chamber of Commerce in Chicago, and if this does not do the trick we will forward all papers to the United States Chamber of Commerce.

If you don't like this conversation, the writer will be in Chicago the beginning of March, at which time he will give himself the pleasure of calling upon you, and telling you in person when I can tell you more about your birds than I have time to spend at present.

Yours very truly,

In fact the export department was so grieved at getting a letter that so modified its ideas of what is and what is not "simpatico" that it sent this letter along to the Foreign Commerce Department of the Chamber of Commerce of the United States.

### Kipling Was Right

**AS** IT happened, the same mail brought to us in Washington another letter that fortifies, in fact Harveyizes, our conviction that Kipling was right. East is East, whatever Fay Bainter may have done to prove the opposite. To illustrate our point further, we quote this second letter, also from east of Suez:

Nadaw, Fullmoon.

Dear Friends:

Some time ago it was written to me that the Motion Picture World magazine would be sent together with Classic and News, Photo-Play, Film Fun and Daily, Story World, Photoplay Journal, etc.; since then we have waited in vain. Literature regarding your country is very scarce.

We should be thankful to those sending us samples of phot goods, such as plates and films, papers, chemicals, etc. Have you heard of or know of any sensitizer for camera exposure? We have Burmese Photoplay productions which could be exchanged with such as Palmer Judgment of the Storm, The White Sin, etc.; Arrow Gambling Wives, Blue Fox, etc.; Chadwick Romance of an Actress, Cloverleaf American, etc., in which we are mostly interested.

My brother now in Chicago, Illinois, may like to appear in the films to earn his way through an engineering college. It is mainly for acquiring science degrees. We are both interested in commercial and educational institutions of yours, from whom we shall at all times be glad to receive catalogs, bulletins, monographs, excerpts and special articles for press and board, etc.—in fact any reading and printed matter.

Please let us have particulars about Independence Institute of Missouri, Mission House of Plymouth in Wisconsin, Clarence H. White School of Photography of Massachusetts, Southern School of Photography of Mac Minnville in Tennessee, Rider College of Trenton in New Jersey, Tri-State College of Angola in Indiana, School of Practical Electricity of Milwaukee, Conley, Higgins, Willis and Clements, The Editor, Hammer, N. Y. Camera Exchange, Cramer, Photographic Journal of America, Voigtlander, International



Kohler Village Hall

The beautiful, livable village of Kohler is an inspiration to ever higher quality in Kohler products—enameled plumbing ware and private electric plants

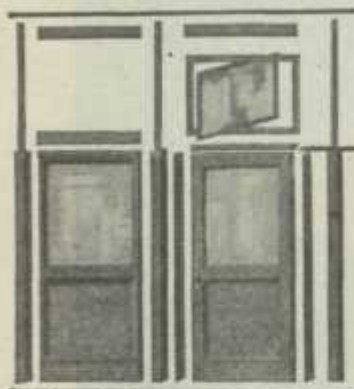
A KOHLER sink, no less than a Kohler built-in bath or pedestal lavatory, is accepted by the well-versed architect, builder, or contractor as representing a notable technical achievement in the art of making enameled plumbing ware. There is only one quality of Kohler Ware: the identifying mark of that quality—the name “Kohler”—is unobtrusively fused into the enamel of every fixture. . . . Kohler Ware is made for homes, apartments, hotels, offices, and factories. Its excellence does not make it costly. Speak to your architect about it.

Kohler Co., Founded 1873, Kohler, Wis. • Shipping Point, Sheboygan, Wis.  
BRANCHES IN PRINCIPAL CITIES

# KOHLER OF KOHLER

*Enameled Plumbing Ware*

*Telesco* Partition  
REG. U. S. PAT. OFF.  
BY TELESCOPES



Showing the simplicity of Telesco Partition. Held solid as a rock with screws. Extension top fits to different ceiling heights.



### What's the Use of Experience Unless You Use It?

Men who have gone through the changing of office layouts know what it means. If the walls are plaster there will be weeks of dirt and dust and delays, to say nothing of the loss in money and time.

Even nailed together wood and glass partition has to be butchered and bungled every time it is moved. What's the use of experience unless you use it?

Telesco Partition is erected with screws and can be moved by a carpenter in a fraction of the time and none of the loss, that comes with ordinary wood or plaster partition.

Send for complete details.

IMPROVED OFFICE PARTITION CO. 33 GRAND ST. ELMHURST, NEW YORK, N.Y.

## The Mayflower

Connecticut Avenue

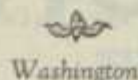
Home of the Leaders  
in Statecraft  
Diplomacy, Finance  
and Industry



Four Short Squares  
from New Home  
of U. S. Chamber  
of Commerce

**B**USINESS MEN who are planning to attend the annual meeting of the Chamber of Commerce of the United States, in May, will enjoy the maximum of comfort at The Mayflower, Washington's newest and finest hotel. Early reservations will enable the management to give a more satisfactory grouping of rooms for delegations.

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### Works on Optics and Chemistry

**I**F THERE are old copies of good works on optics and chemistry, please let us have them; could your factories send samples of electric flash-lamp batteries which will be introduced to the people here, thus enhancing brisker international trade. All samples of your products will be pushed to the eyes of the public as far as circumstances permit.

Sometime ago we were written that catalogs, bulletins, etc., of Palmer College of Albany, other of your institutions, Capital and Ohio State University, Carnegie College of Rogers and Columbia, Independence Institute of Arts of Missouri, and similar one like Riders College of Trenton in New Jersey, Peace Institute of North Carolina, at Raleigh, Columbus College of Sioux Falls in South Dakota, where agriculture flourishes, Columbia Colleges of Dubuque and others locations, etc.

We should also be pleased to study the advancement and progress of many commercialized institutions that have slowly but surely come into public notice and favor. These institutions are noticed to have been almost all vocational schools or colleges offering specialized training.

May I ask how the Vincennes University of Indiana is getting along? and also Selma University, Alfred University, Wiley University, Y. M. C. A. schools and colleges. I am anxious to know.

I wish to write more, but fear that we may be boring you. Unless you mean to reply please pass this along to others who is willing to inform a group of thirsty educationalists on this side of the globe; we shall be mighty happy to tell you things relating to this section of the world in which we live.

Season's warmest and sincerest greetings from the Silken East of the Orient, the gem-bespeckled land of glittering golden pagodas and white elephants, eye-restive green palms swaying to the rhythmic strains of healthful tropic breezes, flying fishes of Kipling's "On the Road to Mandalay," dignified Buddhist monks of the Lord Gautama Noble Order with their flowing yellow robes laden with sacred traditions of ages, etc.

Fraternally,

P. S.—Please also tell us about Ferry Hall and Ferris Institute of Big Rapids in Michigan which we understand is the furniture capital of the States Union.

If anyone is interested in this trade opportunity, we shall be glad to become *particeps criminis* by supplying to him the writer's address.

### The Flexible Tariff in Action

**O**XALIC ACID is the fifth article with respect to which the President has utilized the provisions of the flexible tariff. On December 29 he signed a proclamation advancing the duty from 4 to 6 cents a pound. This is the full extent allowed by the law. The Tariff Commission's investigations indicated, however, that even this increase in duties is not enough to overcome the advantages Germany and Holland have in costs of production.

## Price Guarantees Not Unfair

**G**UARANTEERING the price against decline "is not in and of itself an unfair method of competition within the intent and meaning of the Federal Trade Commission Act." This was the decision announced on February 6 by the Federal Trade Commission in three cases it had pending for upwards of five years.

The guarantee involved in these cases is not the guarantee of a manufacturer when taking an order that he will bill goods at the market price prevailing at the time he is able to ship them. On the other hand it is the guarantee that after the goods have been delivered the manufacturer will stand in regard to them any decline in price while they are on the dealer's shelves.

The Commission was not unanimous. The reasoning of the three members whose votes caused the decision is not disclosed, because of the unfortunate refusal of the Commission to hand down opinions. It was accordingly left only to the two dissenting members to disclose their point of view, i.e., the reasoning which did not prevail.

### Extensive Investigation

**F**OUR years earlier the Commission had announced, after it had made an extensive investigation and collected statements from more than 350 manufacturers and dealers, it would treat each case on its own merits. The two members who now dissent from the decision of principle which the Commission has made refer to the opinions expressed in 1920 and 1921 by some manufacturers and dealers who opposed the use of guarantees against price declines and say the Commission has made no further investigation as a basis for its present decision.

The dissenting members did not take issue upon the fairness or unfairness of the guarantee but contended that the allegations made before the Commission four years ago—that all competitors are compelled to give the guarantee when one starts it, that the manufacturers are caused additional expenses which must be paid by the ultimate consumer, that the practice leads to careless buying by dealers with consequent injury to the public, and that in a falling market the practice may cause many competitors to go bankrupt—made it appear the fairness of the practice should at least be further investigated by the Commission.

## Riding to School in a Pony Blimp

**O**NCE it was a shaggy Shetland, then it was a bicycle, then a boy-sized automobile. And now the small boy clamors for his dad to buy him a little pony Blimp all his own.

The Goodyear Tire & Rubber Co. is making them, says *Manufacturers News*—"one of the smallest practical airships ever attempted by builders."

The little dirigibles are to be 1/50th the size of the *Los Angeles*—100 feet by 30—with 47,000 cubic feet of gas, and they are built to hold two passengers in addition to the pilot.

They will be able to make 50 miles an hour, it is said, and will carry an enclosed cabin finished in "grey velour and polished aluminum."



WHEN asked if the story of his life might be written Judge Gary gave his consent only when assured that Ida M. Tarbell would do the work. Beginning with the May number this epic of Steel and Business will appear serially in McClure's Magazine. No American will want to miss the "Life of Elbert H. Gary"—the biggest story in years.

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### BRANCHES:

NEW YORK CHICAGO DETROIT

*Local Representatives in Principal Cities*

# What Industries Are Paying the Most Taxes?

**A**GRICULTURAL corporations, the Department of Agriculture announced not so very long ago, in 1922 paid out 86 per cent of their net profits for taxes, about 65 per cent of their net profits for state and local taxes and upwards of 21 per cent for federal taxes.

The Department pointed out that the 65 per cent which went for state and local taxes was higher than the percentage of net profits of other kinds of business that went for all taxes, including federal as well, and gave the following figures for the percentage of the profits of other kinds of enterprise which in 1922 went for all taxes. We have added the figures to show the per cent of net profits that went in taxes to state and local governments, on the one hand, and the per cent of net profits that went to the Federal Government, on the other hand:

	All taxes	State and local taxes	Federal taxes
Mining and quarrying.....	62%	45%	17%
Hotels, theaters, and other service organizations.....	40	28	12
Transportation and public utilities.....	37	29	8
Construction.....	35	18	17
Finance, banking and insurance.....	32	23	9
Wholesale and retail trade.....	28	15	13
Manufacturing as a whole.....	25	14	11

### The Tax Out of Each \$100

**T**HE DEPARTMENT of Agriculture was undoubtedly using the statistics published by the Treasury Department from compilations made from the income-tax returns of corporations. The same source can be drawn upon for even more figures than the Department of Agriculture has utilized. Remembering that we are talking only about corporations engaged in the different fields of enterprise, and about their results in 1922, we can set out to put the material not into percentages of net profits—net profits may have been high or low—but into the number of cents which went for taxes out of each hundred dollars of receipts, as follows:

	All taxes	State and local taxes	Federal taxes
Corporations engaged in agriculture and related industries.....	\$3.94	\$3.00	\$0.94
Mining and quarrying.....	3.12	2.27	.85
Transportation and public utilities.....	5.74	4.52	1.22
Construction.....	1.14	.59	.55
Finance, banking and insurance.....	4.38	3.30	1.08
Wholesale and retail trade.....	.86	.49	.37
Manufacturing as a whole.....	1.93	1.06	.87

When the statistics are put into this form, railroads and public utilities generally have the unpleasant distinction of bearing the heaviest load, the category which includes banking and insurance comes next, and corporations engaged in agriculture and allied industries follow immediately behind banking and insurance.

Digging into the statistics again, to find what the different corporations have in the way of gross profits, we discover that gross profits showed the following percentages of

gross sales in the same various fields:

	Per cent
Corporations engaged in agriculture, etc.....	39
Mining and quarrying.....	30
Transportation and public utilities.....	37
Construction.....	14
Finance, banking and insurance.....	10
Wholesale and retail trade.....	19
Manufacturing as a whole.....	26

Even though agricultural corporations had the largest gross profits in terms of percentage of gross sales, they were not able to operate so efficiently as to show a corresponding rank in net profits. Before taxes of any kind were paid, the net profits of these different sorts of corporations in 1922 were, in terms of percentage of receipts:

	Per cent
Agriculture, etc.....	4.59
Mining and quarrying.....	5
Transportation and public utilities.....	15.39
Construction.....	3.22
Finance, banking and insurance.....	13.80
Wholesale and retail trade.....	3.06
Manufacturing as a whole.....	7.58

### Difficulty in Comparison

**T**HE STATISTICS published by the Treasury Department do not include any data as to the number of times stock is turned over on the average each year, for these different kinds of enterprise. It is possible, however, to make a calculation to show the net profits after all taxes had been paid as a percentage of the "fair value" for the capital stock of corporations as the fair value was established by the Treasury Department for the purpose of the capital stock tax, as follows:

	Per cent
Agriculture, etc.....	.3
Mining and quarrying.....	.9
Transportation and public utilities.....	7.8
Construction.....	4.4
Finance, banking and insurance.....	5.7
Wholesale and retail trade.....	7.2
Manufacturing as a whole.....	9

Like the figures which the Department of Agriculture gave out, and like the other series of figures displayed above, this last table serves to throw some side lights upon the course of economic events and to demonstrate the difficulty of getting large groups of industries upon a strictly comparable basis.

Besides, it has to be recalled that for purposes of the capital stock tax it is the current "fair value" of stock that is determined, not the value of the property behind the stock. Consequently, the last table would be subject to an unknown quantity of correction if it were to be made to approach the perfection which honest statisticians love.

### Protecting the Cotton Industry

**H**ERE is a comment on American cotton manufacture said to have been made by a Parisian who was told that, at present, manufacturers in the United States were demanding protection because unable to produce such beautiful fabrics as those of France: "If you haven't the dyes, get them. If you haven't the labor, train it, and your mills can get the designs from Paris as well as anybody else. I should think that your cotton industry would be ashamed to admit that it could not duplicate the facilities of France in making cotton fabrics."



## See How This Modern Window Blind Controls Daylight and Ventilation

**W**ESTERN Venetian Blinds give a two-fold service which no ordinary window equipment can offer. They control the intensity and distribution of daylight, and regulate ventilation,

Note that direct rays of bright, glaring sunlight are *not* admitted; all sunlight is reflected and diffused, and is thus changed to restful, subdued daylight.

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A unit of Lyon Shelving, with shelves and dividers arranged for one particular use, appears on the right. Above, you see the possibilities of varying the arrangements of the units, to fit the finished parts store room of the Dexter Folder Co. of Pearl River, N. Y.

Consider the advantages of such a storage system for yourself. There is complete flexibility with the permanence that a combination of steel and expert engineering alone can give.

You can store small parts—notice the drawers—and heavy machinery—see the castings. You can expand from a single unit to limitless capacity.

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Build your stock or tool room of Lyon units by a Lyon plan. Use Lyon Engineering co-operation. Write for more complete information.



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Authorized Agents in Other Principal Cities

## A View of Service Organizations

By Bishop James E. Freeman,  
Washington, D. C.



Bishop James E. Freeman

**W**E HAVE entered upon a new fulness of time. Religion, whether articulate or inarticulate, is more conspicuously dominant today than ever before, at least within our generation. From a period of disillusionment following the Great War, where

spiritual values were ruthlessly cast aside in the mad rush for things material, we have now passed into a less passionate period where men are considering more largely the deeper things of the spirit. Curiously enough, the evidence of this is found in places where we would least expect it.

Once the home was the center from whence issued those strong spiritual currents that contributed to the enrichment of character. Today we find that in the less-sequestered spheres of action, out in the great world of human affairs, religion is finding its larger expression. One wonders whether the change marks progress or decline. The most casual student of modern life discovers, in newly created agencies, higher moral and ethical standards than have been witnessed for a generation past. Out of an era that witnessed much wholesome reform legislation, there emerged new associations, composed largely of business and professional men, the avowed principles of which set new standards that closely approximate Christian ideals. "Service, not self" is the fine motto of one of these notable modern organizations, and all of them, Chamber of Commerce of the United States, local chambers, Rotary, Kiwanis, Lions and Civitan, represent high purposes and motives that must make them outstanding factors in the moral and spiritual regeneration of modern commercial life.

### A Higher Moral Standard

**W**E CANNOT but believe that these later movements are to be taken as registering a higher moral and ethical standard in the common contacts of everyday life. The country-wide development of civic associations is but another phase of this corporate endeavor after more equitable and wholesome conditions.

We might with profit pursue our survey of those institutions and agencies that today are allied in the promotion of interests that are beneficent and highly ethical in character. There is no evidence of moral atrophy or decay as one studies the progress that has been made in developing a firmer corporate and civic consciousness. My own personal and somewhat intimate contacts with large public concerns, as well as with men in public life, strengthen my conviction that conditions are vastly superior to those that existed twenty-five or fifty years ago.

For my own part, I strongly believe that the Christian church needs to lend all its strength and encouragement to those who, whether its sons or not, are striving to make this old world a more fit place in which to

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live. Of one thing let us be certain—there is a new spirit abroad and it is manifesting itself in many and striking ways. To Christianize it, to ally it to Christ and His Church, to give it both continuing power and permanence, is the opportunity and privilege of those who believe in His supremacy and sovereignty. I have touched upon these later manifestations in our corporate life because I profoundly believe that they disclose a distinct advance, and register a higher moral and spiritual standard than we have hitherto known. That the Christian Church should not take cognizance of this advance, that it should not lend itself to promoting it, must issue in broken contacts and unaccepted and forfeited opportunities.

## More and Better City Directories

SOME months ago our philosophical contributor, Fred Kelly, wrote a paragraph comparing city directories and telephone books. R. L. Polk, president of the Association of North American Directory Publishers, doesn't find himself agreeing with Mr. Kelly. Says he:

What sort of a man is Fred Kelly, who takes a few slaps at city directories, down towards the end of his December column? From some of the other things he writes now and then, we have felt he was sort of a roving free-lance who got around over the country and kept pretty well informed on a number of things which came under his observation. However, from the way he treats city directories, as being largely things of a bygone day, we are forced to conclude that he must sit in a swivel chair in a steam-heated office and holler for his stenographer to look up this and that for him, because, unless this is the case, we cannot imagine how he can help needing and using city directories in various cities from time to time.

There are more and better city directories than ever before. They are more widely used and appreciated. The only people who do not know how to use them and who fail to realize that such publications are around as commonly as need be are those who operate in the same old groove day after day and do not need the information which a city directory contains, or who have others at their beck and call to look up such information when needed.

Among other things Mr. Kelly says that many cities have not had a new city directory in years. Outside of Brooklyn, New York, we do not know of any cities of any consequence, or which have ever had city directory service, where service is not being given today. Chicago was without city directory service for a period of years, due to certain local conditions. Public opinion finally became very much aroused because of the fact, and our company was invited to undertake a Chicago directory, which we did, publishing it in 1923. Another edition is in course of compilation now.

Mr. Kelly seems to be of the opinion that the telephone book has largely supplanted the city directory. While 'phone books do, in many cases, contain classified sections and compete with the city directory in soliciting advertising, they are used more for things that constitute needs in the home, whereas the city directory is preeminently a business book and is used as a "city catalog" many times daily. City directories are fulfilling their field better than ever before, and the competition with 'phone books is not nearly so serious as it appears to the uninitiated.

Right now we are delivering our 1925 Detroit city directory, which is one of the largest and most popular of the several hundred Polk publications. If we could just get hold of Mr. Kelly and let him answer the telephone calls of people who are besieging us for their copies of the city directory without waiting for it to be delivered in regular course, he certainly would get a different impression of its usefulness.



## Americans will not wait

Accustomed to instant communication by telephone and telegraph, our military authorities realized in the late war that the American Expeditionary Forces could not depend on the communication services of Europe.

The necessary plans, materials and engineers were sent over in ship loads. A world record was made by the Signal Corps in establishing lines of communication indispensable to every branch of the army. In a surprisingly short time, every American general in France had at his disposal the communication facilities to which, in America, he had been accustomed.

Europe was sometimes startled by the amazing methods of the telephone workers from overseas. The American-trained Signal Corps units invariably sought the shortest way, overcoming all natural obstacles to extend the needed means of communication.

The Americans were not content to wait. They expected and demanded the same ever-ready telephone connections which they had at home. The Bell System has set a world standard for prompt attention and continuous service.



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And this security cost a mere pittance compared with the comfort and the helpful personal service rendered thru

## American Express Travelers Cheques

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## American Express Travelers Cheques

## Listening In on Congress

LISTENING in on Congress, before its adjournment for the season, brought forth some highly interesting discussions on just where senators go when they die, on the President's ability to pitch hay, on stilts for the farmer, and on many other topics.

Senators from Connecticut and Nebraska delve into the question of eternity:

SENATOR MCLEAN (Conn.): Make it for a year. That will give us sufficient time.

### Wherein Are Partners Chosen for the Trip to Eternity

SENATOR NORRIS (Nebr.): Let it stand like any other law, until it is repealed by a subsequent law. Make it for all eternity.

Mr. McLean: That is going further than I think I can accompany the Senator.

Mr. Norris: The Senator is on that road. He is going, and I expect to go, too, and I would enjoy his company.

Mr. McLean: We will not vote on postal revenue bills when we do go.

Mr. Norris: I am afraid our paths may diverge.

Mr. McLean: I hope so.

Mr. Norris: I do, too. I agree with the Senator, I would not like to travel on his road, not that I would not enjoy his company—I like him—but I do not like the place where he is going.

If we mean what we say—

Mr. BORAH (Idaho): We do not.

Mr. Norris: . . . Everybody in this body knows we do not mean it. If we were in earnest about it, we would strike out that limitation.

Mr. BORAH: When the Senator from Idaho said that the Senator did not mean what he said, I meant that when he was talking to the Senator from Connecticut as to where he was going he did not mean what he said.

Mr. Norris: I do not want to discuss where the Senator from Connecticut is going. That might be embarrassing, and I do not want to hold up any bad picture before any one of any other location. Not only that, but no matter where he is going or how fast he is going, it is never too late to repent. . . .

REPRESENTATIVE JONES (Texas): I rise this morning to speak about the President's famous farm commission, which has just reported. . . . We have paid \$50,000 for 22 pages of mimeographed rehash. . . . The President poses as a great friend of the farmer. In fact he seems fond of having his picture taken while doing bits of farm work, especially during campaign time. I have here some clippings taken from country newspapers showing pictures of the President pitching hay. I call attention to the fact that in this particular photograph, which was sent all over the country, the President has on a pair of brand new overalls, drawn over a pair of black dress trousers. He also has on a white shirt and is without a hat. Fancy a man making hay in the burning sunshine without a hat! Shades of the pioneer farmers on the prairies of the great West. . . . Without any hat!

Mr. McLAFFERTY: Is the gentleman's criticism directed to the fact that the President had on a white shirt or that he had on a shirt?

Mr. JONES: I am not criticizing; I am just commenting. . . .

SENATOR COPELAND (N. Y.): When I was a young doctor, my telephone rang one night and a woman said over the telephone, "Doctor, come and see me right now. I cannot stand this pain another minute." I said, "How long have you had it?" She replied, "Twenty-eight years." A treaty which has been pending in the Senate for twenty-one years could well wait until its importance could be so thoroughly understood. . . .

SENATOR NEELY (W. Va.): If the importance

of the treaty can not be understood after twenty-one years' deliberation, how many more years does the Senator think ought to be devoted to its consideration?

Mr. COPELAND: That is a fair question. . . . The answer is that we must discuss the treaty until Senators have absorbed as much knowledge of the treaty as undoubtedly the Senator from West Virginia has.

Mr. NEELY: Mr. President, I am very much obliged to my distinguished friend from New York for that compliment. I wish to inquire now if the Senator advised his patient who had suffered from the malady of which she complained for twenty-eight years as he is now advising the Senate?

Mr. COPELAND: Well, I did tell the patient that I thought she could wait until morning. . . . When Paul appeared before Festus and King Agrippa they sought to judge him. He said, "I appeal to Caesar." . . . Senators, there are American citizens who, in good faith, purchased property in the Isle of Pines, believing it to be American territory. They have certainly appealed to us.

Mr. NEELY: I presume the Senator's statement made a moment ago, to the effect that he, like the Apostle Paul, will appeal to Caesar, means—being interpreted—that he intends to appeal to the Vice-President.

Mr. COPELAND: Mr. President, I have not heard the Vice-President compared to Caesar, though I have heard him compared to Goliath of Gath, who came out from the camp of the Philistines with a helmet of brass upon his head, clothed in a coat of brass mail, with greaves of brass upon his legs, and a target of brass between his shoulders, the staff of his spear being like a weaver's beam, and one bearing a shield going before him. He had a voice of brass and a manner of brass. I have heard no reference to Caesar.

Mr. NEELY: But the Senator will admit that, so far as we have any information on the subject, Goliath was never late when the Philistines were attempting to confirm a presidential nomination. . . . But, levity aside, I am really anxious to know to whom the Senator is going to appeal the case of the Isle of Pines?

Mr. COPELAND: Mr. President, do you know I wonder about that, and I think the citizens of the Isle of Pines also wonder.

SENATOR HOWELL (Nebr.): Some 44 per cent of our people live in towns of 1,000 inhabitants or less, and upon the farms; 56 per cent are urban. It is the 44 per cent who are on the ground. The remainder are largely upon stilts.

### There is Elevating Talk of Stilts for Everybody

The only way to meet a situation of this kind is either to pull the stilts from under the other fellow, or put stilts under the farmer. Now, in my opinion, it is impracticable to pull the stilts from under the other fellow. As a captain of industry has recently remarked, "these stilts are concrete piles." What we will have to do, I believe, is to put stilts under the farmer.

Mr. REED (Mo.): Does the Senator advocate stilts as an improved method of transportation? I had entertained an old-fashioned notion that a man with his feet on the ground was a good deal better off than a man who was stuck up on a pair of stilts, staggering around.

Mr. HOWELL: We have either to pull the stilts from under the other fellow or put stilts under the farmer, and in my opinion, the only practical way of leveling is to put stilts under the farmer. . . .

Mr. REED: We would all be on wooden legs, then, would we not?

Mr. HOWELL: There is one thing certain, Mr. President; if the other fellow is to have wooden legs, I believe the farmer should have them too, and then let us all go down together. Do not



Why telephones don't corrode. In this ordeal they have to prove that they won't. Immersed in water, these metal parts and the coating on the instrument itself are put to the test.

## Submerged —one of many hard tests



TELEPHONES must voice the words that people speak, and people live in ice-bound lands, under the humid heat of the tropics or where the air is desert dry.

In such corners of the earth human beings can withstand the rigors

of the climate. Things of metal or of fibre may fail, but telephones must not.

That they may endure, Western Electric subjects its telephone products to tests even more exacting than those imposed by Service or Nature.

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Spaciousness is the keynote of the Homeric.

In lofty public rooms or on broad promenade decks, you will be impressed by it. However large her passenger list, she is uncrowded.

In every detail of service the Homeric is a proud embodiment of White Star standards founded on more than fifty years experience.

Together with the world's largest ship, Majestic, and the famous Olympic, the Homeric maintains a weekly schedule of Saturday sailings to Cherbourg and Southampton. Other sailings are provided by White Star and associated lines from New York, Boston, Montreal and Quebec to England, Ireland, France, Belgium and Germany.

For booklets and full information address the Company's office at New York, Boston, Philadelphia, Cleveland, Chicago, Detroit, St. Louis, Montreal and San Francisco or our offices elsewhere or any authorized steamship agent.

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The Esterbrook Judge's Quill is a favorite among writers who like a fine-pointed stub pen, resilient in action.

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### THE NATIONAL CALENDAR Perpetual Daily Date

What day is this? someone will say: you hear this almost every day, as if you're tired to keep the date that someone else may not be able. Now 24-11-11-11 with pleasing grace, will show the date at any place, with strength and beauty as you see, and just as plain as day to you. Send \$1.00 for beautiful 11-11-11-11 art design today. Money back if not pleased.

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If germs were as big as elephants the danger of transmitting disease would be greatly lessened. Because germs are so infinitely small they breed and multiply and travel about from hand to hand unnoticed. The public but of soap spreads them broadcast. Banish it!

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let the farmer go down alone and the other fellow remain on his wooden pegs.

Mr. REED: I never heard of compelling a man by law to wear wooden legs.

Mr. HOWELL: If half the people will insist on putting themselves on economic stilts, and if they will not get off, and we cannot force them off, then we had better adopt stilts also.

... When things are going in a certain direction, one had better go with the tide and not try to row against it. Any man acquainted with a seafaring life knows that one had better wait until the tide changes if he wants to go in a certain direction and the tide is against him. Go with the tide, or tie up. The farmer cannot tie up. About the only thing that is left for him to do, I regret to say, is to go with the tide.

Mr. REED: Mr. President, I want to inquire, merely for information, how a man on wooden legs is going to go with the tide?

Mr. HOWELL: There have been many cases of near drowning in this world, where people have been saved because of their wooden legs. Here is a case where a farmer may take advantage of this kind of terminal facility. . . .

REPRESENTATIVE CONNALLY (Tex.): It was shown in the hearings and elsewhere that one cowhide would make several pairs of shoes.

### Wherein Sena- tors Discuss Cowhide Shoes and Beau Brummels

Mr. HUDSPETH (Tex.): Oh, the gentleman from Oregon (Mr. Hawley) admitted that it would make twelve pairs of shoes, and he voted to take the tariff off of hides.

Mr. CONNALLY: Well, we will call it ten pairs. I do not want to accept the statement of the gentleman from Oregon, but I will discount it and say ten pairs—ten pairs of shoes large enough to house the feet of the gentleman from West Virginia. Ten pairs of shoes. Now, let us suppose these shoes cost \$4 a pair. I am talking about a conservatively low price on the shoes worn by the average of the American people. If you are going to estimate the cost of shoes like the gentleman from West Virginia wears, it would probably be \$16 or \$20, because we know that he wears the very best.

Mr. ROSENBLUM (W. Va.): The same hide would make four pairs of shoes for the gentleman from Texas.

Mr. CONNALLY: I am selecting the gentleman from West Virginia because it is well known that he stands in this House as the modern reproduction of that famous character, Beau Brummel.

THE CHAIRMAN: The time of the gentleman from Texas has expired.

REPRESENTATIVE WINDO (Ark.): Some bureaucrat, however perfect a gentleman he may be, how good he may be on the adding machine, what does he know about the needs of the Federal activities in Texarkana or Van Buren, Ark.?

He does not know. In the rush of consideration of all of the different needs of the United States, it would mean that some little clerk coming down some day, having had possibly a bad night and feeling grouchy, would undertake to slash and cut and say, "They do not need that there; they do not need that here," or on some day he might feel a little bit better and give more than there was particular need for. Is he any stronger than a member of Congress?

### 51,000,000 Mouth Organs

TROSSINGEN may not mean a great deal to you, unless you are a very close observer, but Trossingen has made a business success, and it is now celebrating the hundredth anniversary of its outstanding industry.

Mouth organs are the product turned out by Trossingen, Wurtemberg, for one hundred years. Today, something like seven thousand persons are employed in its three mouth-organ factories. Last year the factories of Trossingen provided the world with more than 51,000,000 new mouth organs.

## U. S. Workers Increase Stock Holdings

THE AMERICAN workman is surely becoming the American investor. We hear that very often, but every investigation brings it more forcefully to mind.

The Academy of Political Science in New York made "Popular Ownership of Property" a special subject at its meeting in March. It is shown there that the number of stockholders in the railroads of this country has increased from 647,000 in 1918 to 966,000 in 1925. In the gas companies there has been an increase of from 1,250,000 in 1918 to 2,611,000 this year.

In all the companies given in the survey, the number of individual stockholders as a whole has doubled. In telegraph and telephone the number of stockholders has increased three-fold. The new spirit is also appearing in the packing industry, which shows an increase of 35,000 shareholders, many of them from the employees.

This new development in American industry not only applies to the very large corporations such as railroads and public services, but also is reaching into the local industries—boots and shoes, clothing, typewriters, department stores.

Most of the stock sold to employees goes out on the installment plan, the period of payment generally ranging from twenty-one months to five years.

And the farmer, too, is becoming interested. The Department of Agriculture gives figures showing that, in 1916, 651,000 farmers were interested in cooperative buying or selling organizations. They estimate the number in 1925 at 2,500,000.

How has this affected the savings bank situation? Well, the money used for stock investments apparently has not hurt the bank deposits. There were 10,600,000 savings depositors in the United States on January 1, 1918. Seven years later—January, 1925—the number of depositors had increased to 38,800,000 and deposits had grown from 11 billion to 20 billion.

### Moral Effect of Gold

WE ARE apt to think of the gold standard as fixed, immutable and inevitable under economic laws. So many battles have been waged for fiat money, and the advocates of free and unlimited coinage of almost anything have gone down to defeat so many times, that this statement of the Right Hon. Reginald McKenna, chairman of the Midland Bank, at its annual meeting, carries a little of a shock:

But in the present state of knowledge and feeling one of the greatest advantages of the gold standard is its moral effect. A nation will think better of itself, will almost regard itself as more honest, if its currency is convertible into gold. It is a real advantage to a nation to have a currency founded upon a value which is universally recognized; it inspires confidence and facilitates international transactions. Even if the gold standard were not preferable for other reasons its universality would be decisive in its favor.

The argument may, it is true, be founded on psychological and not on economic grounds, but it is none the less powerful, as we have not yet reached the stage where economic considerations alone guide us in judging the desirability of any particular method or system.

At present there is no single nation, so far as I know, which is now off the gold standard, that does not regard the return to it as the most desirable of all financial measures.



## Powerful Traction with Big Mileage

The eighty massive cogs of this tire give your truck a sure, firm foothold.

Double-Traction Tires are built extra size and of high profile, assuring long mileage with good cushioning for your truck. They will materially reduce your trucking costs.

Firestone Truck Tire Service Dealers everywhere.

MOST MILES PER DOLLAR

# Firestone

## DOUBLE-TRACTION

AMERICANS SHOULD PRODUCE THEIR OWN RUBBER. *H.B. Firestone*

# 180,000

business executives like yourself are reading this number of NATION'S BUSINESS.

Have you something to sell to this audience? Let our advertising department furnish you facts and figures.

NATION'S BUSINESS  
Washington



Brawley's New Hotel

## How Did Brawley (Calif.) Get ITS Hotel?

If towns and cities in need of modern hotel facilities will follow the example of Brawley, Calif., they'll GET their new hotel!

Brawley's need was for \$100,000; yet in one week's time, through Hockenbury direction, \$122,000 in securities were sold.

Brawley's new hotel originated in the mind of one man—a civic leader. His town needed the thing he proposed and now his town is getting it!

Perhaps YOUR town needs a modern hotel. If your town is ever to GET one, SOMEONE must start it! Perhaps you are the man to start the ball rolling.

THE HOTEL FINANCIALIST, a monthly journal devoted to the subject of community hotel finance, lays bare many of the rocks that strew the course of the success of such a project. Ask us to put your name on our complimentary civic list "C-5" to receive a copy each month; there's no obligation entailed.

**The HOCKENBURY SYSTEM, Inc.**  
• Penn-Harris Trust Bldg. •  
HARRISBURG-PENNA

# Government Aids to Business

The Bureau of Standards, in cooperation with tire manufacturers, has begun a series of tests on the large sizes of pneumatic truck tires in order to establish an adequate laboratory endurance test that may be applied in connection with government purchases of tires under federal specifications.

Considerable progress has been made, the Bureau reports, both by the Bureau and by tire manufacturers, in developing tests for 5-inch tires and smaller sizes. But very little laboratory work has been done on the 6, 7, and 8-inch sizes, which are strictly truck sizes.

The endurance-testing machine includes a wheel revolving in bearings supported by a movable car, and the tire is forced against a revolving drum driven by an electric motor, with a pressure corresponding to the appropriate axle load. For the 6-inch tires an axle load of 2,200 pounds per tire will be used with 90 pounds inflation pressure; for the 8-inch tires an axle load of 4,000 pounds will be used with an inflation pressure of 110 pounds.

Enamels for bath tubs, stove parts, and other cast-iron wares may blister during the firing process, causing loss to the manufacturer and increased cost of the perfect product to the consumer.

### "Blistering" of Enamels for Iron Castings

The Bureau of Standards, in cooperation with the American Ceramic Society, has begun a study of cast iron for enameling with a view to determining the most suitable iron, and, if possible, the cause of blistering of the enamel when fused on castings made from certain types of pig iron.

Castings are to be enameled in the Bureau's laboratory and in commercial plants. Chemical, metallographic and spectroscopic analyses will be made of the castings before and after enameling to determine any changes that may take place because of the enameling process.

Paper from the fiber of the caroa plant, native to Brazil, has been made in the paper laboratory of the Bureau of Standards, and compares favorably, the Bureau says, with paper from rag and rope stock.

### Paper Is Made From Fiber of Caroa Plant

The Bureau produced an unbleached paper of unusual strength, suitable for bag and wrapping uses, and also a very satisfactory grade of bleached paper. Caroa fiber, the Bureau believes, may be used to advantage either in connection with, or in place of, rag and rope stock.

A report of the Bureau's experimental work was published in the *Paper Trade Journal*, 10 East 39th Street, New York City, under date of January 8.

In order to formulate a standard test method for a quantitative determination of cotton in cotton-wool mixtures, a series of tests has been made by the textile section of the Bureau of Standards.

### Cotton Content in Mixtures of Cotton-Wool

A sodium hydroxide solution, the Bureau explains, removes the wool from a cotton-wool mixture, theoretically leaving the cotton intact so that it may be weighed. Actually, some of the cotton is lost, and the variation in the amount of the loss is the chief cause of inaccuracy in this method of estimation.

The variation in the amount of cotton lost, the Bureau says, may be caused by a variation of the test methods, or a difference in the kind of material tested, or by both of these factors. A set of empirical test conditions has now been evolved from the Bureau's experiments. Application of these conditions, the Bureau believes,

will provide for the determination of correction factors to account for the loss of cotton in tests of all kinds of cotton-wool mixtures. Briefly defined the test conditions are: The concentration of the sodium hydroxide solution is immaterial within the limits used in the Bureau's investigation (1 to 10 per cent) provided some one figure is generally accepted; the duration of the treatment shall be one hour; the liquid containing the test sample shall be kept boiling under a reflex condenser.

Many of the methods proposed for testing the permeability of paper to liquids are inadequate for the purpose, says the Bureau of Standards in announcing that it is endeavoring through research to improve old and develop new methods.

### Permeability Affects the Use of Paper

The usefulness of many papers, the Bureau explains, relates to their permeability or absorption qualities. The resistance of writing paper to ink must be such that the ink will not spread or penetrate through the sheet before it has had time to dry. Wrapping paper and paper bags are required to be sufficiently water resistant to prevent wetting through when used for meat and other food products. Paper used to protect merchandise in transit or storage, particularly for overseas shipment and storage in damp climates, should be practically water proof. At the other extreme from sized and waterproof papers are absorbent papers, as blotting and toweling.

Innovations in crop estimating and forecasting by the Department of Agriculture have made possible, the Department says, a better adjustment of the supply of farm products to the demand.

### Agricultural Forecasts Have New Services

In addition to the established reporting services, which now include 74 crops and all classes of livestock, the Department has undertaken surveys of livestock, field-crop production plans, and production prospects.

Twice a year, June 1 and December 1, the Department makes a pig survey, which forecasts the number of hogs that will be marketed the following autumn. Forecasts of potato production provide growers with a basis for decision as to the holding or selling of their crops. Similar aids to intelligent marketing are to be provided through surveys of the dairy industries, which will forecast butter and cheese production and estimate the number of dairy cows. Poultry surveys are planned to indicate early in the winter how many hens and pullets are being kept for laying, and the probable number of eggs available in the spring.

General use of all the production and market forecasts issued by the Department would undoubtedly set in motion a strong influence tending to smooth out the hills and valleys of production, the Department says, and to eliminate the losses always caused by a bad adjustment of supply to demand.

Prompted by the desire to give their customers the best information available on the proper installation and subsequent care of marble, marble dealers through the National Association of Marble Dealers have requested the Bureau of Standards to cooperate with them in a comprehensive study of problems related to the use and maintenance of marble for interior work.

### Maintenance and Use of Marble in Interior Work

The scope of this research includes the study of cleaning preparations, their relative value and ultimate effect on marble, the removal of various kinds of stains, the cause and prevention of discolorations from the walls of buildings, and the

# THE BIRTHDAY OF STEINMETZ

April 9, 1865



Dr. Steinmetz did his great work in the General Electric laboratories in the years between 1893 and 1923. He contributed in large measure to the service of your Electric Light and Power Company—a service so efficient that electric current is one of the very few products that actually cost less today than before the war.



ON April 9, 1865, he was born in Breslau. On June 3, 1889, he landed in New York City from the steerage—in debt for his passage and unable to speak our language.

Twelve years later he was elected president of the American Institute of Electrical Engineers. President Eliot of Harvard proclaimed him the foremost electrical engineer in the world.

On October 26, 1923, he died.

Did ever a few brief years witness more miracles? When

his life began, there was not a single electric light and power company. When it ended, there were 6,000 in America, serving more than 11,000,000 homes.

Physically frail himself, he helped to make electricity the great lifter of burdens; by his courage and vision he was an inspiration to the whole electrical industry.

Such a man deserves to be remembered on his birthday, not on the day of his death. For in the larger sense he does not die. Humanity is permanently richer because of what he gave.

# GENERAL ELECTRIC



Advt. No. 5 of the  
**SKF**

**Certified Campaign**  
Every statement made  
in this advertisement  
is substantiated by an  
unbiased engineering  
analysis and report, a  
certified copy of which  
may be obtained by  
you for the asking.

More than 2,000,000 Skayef Self-Aligning Ball  
Bearing Hangers now in use throughout the world

## Friction Resigns to Skayef!

**F**RICTION does not quit a plant willingly. It hangs on—calling for attention, inspections, repairs, always! It is only when Skayef equipment is installed that Friction finally steps out.

Up in New England a machine tool plant operated its line shafting on plain bearings for years. Every week they demanded cleaning, inspecting and oil-

ing. Three or four times a year they required realignment. They were expensive, inefficient, wasteful.

Then in 1915 Skayef Self-Aligning Ball Bearing Hanger Equipment was installed and Friction stepped out for all time. The weekly oiling and inspection were eliminated. Machines and men no longer remained idle because of line shafting that failed at critical periods.

These are not mere generalizations. They are FACTS taken from the report of a representative firm of engineers.

### Savings Effected by Skayef Self-Aligning Ball Bearing Hangers

Saving in maintenance costs—Labor, material, repairs and realigning	\$614.45
Saving in power—232,800 KWH x 10% x .03	67.40
Total savings per year	\$1,112.85

The SKAYEF BALL BEARING CO., 165 Broadway, N.Y.

For Nearest Distributor see MacRae's Blue Book

**BALL BEARING**



Self-Aligning

1389-S



Not Self-Aligning

## SKAYEF HANGERS

POST HANGERS, PILLOW BLOCKS **SKF** AND TRANSMISSION APPLIANCES



Your thirsty employees want  
the kind of drinking water  
that satisfies them

**T**HEY will prefer it from a Century Ice-Cooled Drinking Fountain because it is inviting, sanitary and convenient. A Century will save your time and theirs. They'll do better work.

In the Century the water does not touch the ice. The coils are made of copper, tinned inside and out. The ice chamber is tinned so it will not rust. All fittings are brass, nickel plated. The exclusive patented features, fine design and finish make it the best in its class. Priced at \$55.00 to \$114.00.

Write for booklet and dealer's name.

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**RED**

**ENVELOPES, FILE POCKETS  
and FILING DEVICES**

**"They Last Longer!"**

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**At Your Stationers or Write for Sample**

study of a rare type of decay which sometimes occurs where marble is used under unfavorable conditions, such as on damp walls below ground.

The results of the research will be made available to the public as soon as the work is completed.

Graduate fellowships in mining, metallurgical, and chemical research are offered by institutions

### Cooperative Fellowships For Research

of learning in several states in cooperation with the Bureau of Mines of the Department of the Interior. The fellowships are offered to assist the

Bureau of Mines in the solution of problems that particularly concern the regions in which the institutions are located.

Fellowships for the college year 1925-1926 are offered by:

University of Alabama, Tuscaloosa, Ala.  
University of Arizona, Tucson, Ariz.  
Carnegie Institute of Technology, Pittsburgh, Pa.  
University of Missouri, Rolla, Mo.  
Ohio State University, Columbus, Ohio.  
University of Utah, Salt Lake City, Utah.  
University of Washington, Seattle, Wash.  
University of Idaho, Moscow, Idaho.

Detailed information regarding the terms of the fellowships may be obtained from the Department of the Interior, Bureau of Mines, Washington, D. C., or from any of the institutions named.

An American who sells stock in England without payment of the stamp duty is liable to a fine of \$100, and securities cannot be issued by an American company in France or quoted on the French Bourse until the company has designated to

### Stamp Taxes on American Stocks, Bonds

the tax authorities a French firm or individual who will stand liable for the regular payment of taxes due on securities in that country, says a pamphlet on "Taxation of Securities in Europe," published by the Department of Commerce at Washington.

The pamphlet is based on reports from offices of the Bureau of Foreign and Domestic Commerce in Austria, Belgium, France, Germany, Holland, Italy, Spain, the United Kingdom, and American consulates in Switzerland. It presents information of importance to American investors and companies interested in securities markets abroad.

In most of the countries considered in the pamphlet, stamp taxes are imposed on both the issue and the sale of stocks and bonds. The tax on the issue is usually based on the par value, and the tax on the sale is calculated on the amount of the purchase price.

The pamphlet, designated as Trade Information Bulletin No. 326, is obtainable at 10 cents a copy from the Superintendent of Documents, Government Printing Office, Washington, D. C., or at the same rate from any district office of the Bureau of Foreign and Domestic Commerce.

### Japan Gets Saghalien Oil

**A**NNOUNCEMENT is made of a treaty signed January 20 at Peking, by which Japan gets from Russia a 45-year lease of 50 per cent of the oil concessions in Northern Saghalien. But *Commercial & Financial Chronicle* says that Japan "is obliged to pay Russia a royalty of 10 to 15 per cent of the oil output." Payment of the Russian debt to Japan is "reserved" for settlement at some later date. And Japan agrees to withdraw her troops from the Island of Saghalien by May 15 or as soon as the island is sufficiently ice-free.

Further, each nation agrees to refrain from propaganda in the country of the other.

## Installments Have a Safety Line

"I LOOK upon the extravagant use of credit," says J. Harry Tregoe, Secretary of the National Association of Credit Men, "as an attack upon our whole system of economy; and there can be no doubt that we . . . are using credit extravagantly. This not only is the fault of the public, but of organized business as well."

This is a serious indictment from one in a position to know the facts. Furthermore, it expresses an uneasiness shared by many business men and bankers in regard to the prevalence of installment buying in this country.

"Of the total volume of business transacted in this country," asserts *American Bankers Association Journal*, "it is estimated that the portion conducted on the cash-and-carry plan, which was a heritage of our forefathers, is just 5 per cent. The 95 per cent balance is sold by creating debt, and is paid for at some later date. In other words, debt is nearly universal in this country, credit is lavishly used, and installment buying is encouraged in many luxury lines. The proverbial old-time family with a mortgage on the homestead is succeeded by the modern family with a mortgage on the homestead (if any) and on the furniture, piano, radio, books, fur coat, engagement ring and automobile."

### Pianos Led Off

IT IS interesting to recall that "the pioneers in installment selling were not the automobile manufacturers, but the makers of pianos. . . ." But with the advent of the automobile, part-payment buying took on a tremendous spurt.

The rediscounting of automobile notes immediately developed to such proportions that it constituted a distinct new branch of business. "Thus the modern automobile finance company was born, although it is based on the same principle as the 'factors' which for many years have operated in the textile centers."

During 1924, "approximately three-fourths of the automobiles sold in the United States were on a time basis," says the *Journal* quoting Curtis C. Cooper, president of the General Motors Acceptance Corporation.

But finance companies are not by any means confined to those interested in automobiles: "The charges made by companies advancing money on accounts and notes receivable covering automobiles, clothing, musical instruments, electrical apparatus, office equipment and jewelry vary considerably, as would be expected from the diversity of the lines of business specialized in, the different procedures in discounting and loaning, and the various grades of creditors represented."

### The Purchaser Pays

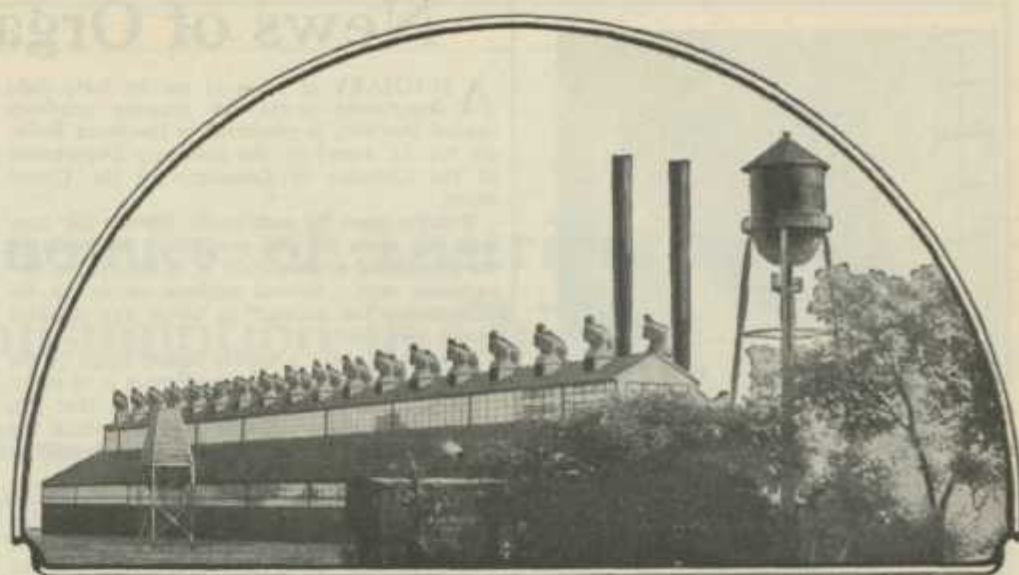
OF COURSE "the expense of time-financing is borne by the purchaser. Stores that sell on installment or on open account usually charge higher prices than those selling on strictly cash terms."

On this subject of installment buying, the *Journal* holds that the method "has demonstrated that it has many advantages and is sound financially if administered carefully and honestly."

But here is the statement of a man described as one of the most prominent department-store owners in this country.

"Although I am not familiar with the details, I am strongly under the impression that our country seems to be running into debt through installment buying to a degree that is unprecedented and that the situation carries with it a very real and grave danger. Our people buy not only houses, on installment, but furniture, clothing, automobiles, radio equipment, and other items. Moreover, the charge accounts in retail stores have been steadily growing for the last few years and are much greater than formerly."

"I have a feeling that the discontent that will arise from time to time from inability to meet installments and increased pressure by the creditors will result in social trouble."



Heat-Treating Plant of Prominent Automobile Manufacturer in Michigan

## Sunlight and Swartwout Ventilation—Two Secrets of Better Production

**A**BUNDANT light—plentiful fresh air; these two requisites for good workmanship are both to be found in this splendid automobile plant.

Broad windows supply the light—Swartwout Ventilators take care of the ventilation—and both are alike in requiring no upkeep and entailing no operating expense.

The Swartwout Ventilators instantly exhaust heat, fumes and gases—noiselessly and automatically taking them upward and out of the building.

These ventilators have been specified for many years by architects and engineers. On the neighboring heat-treating plant of another automobile manufacturer a similar battery of ventilators has been in constant operation for more than a dozen years, without cost and without attention.



Swartwout Ventilators are widely recognized as standard. Built of a rust-resisting metal over a strong frame of galvanized angle iron, and mounted on non-corrosive ball bearings, Swartwout Ventilators are lastingly efficient.

Stocks carried in principal cities, including Pacific Coast.

The Swartwout engineers will gladly confer with you on your individual ventilating problems. This service involves no obligation on your part. Merely write the General Offices.

Send for the newest edition of our Ventilation Book—"The Gospel of Fresh Air"

THE SWARTWOUT COMPANY, Cleveland, Ohio  
General Offices: 18505 Euclid Avenue • Factories: Cleveland, Ohio—Orrville, Ohio

# Swartwout

## Rotary Ball Bearing Ventilators

## News of Organized Business

A SUMMARY of plans in use by forty-eight department stores for insuring employees against disability is presented in Insurance Bulletin No. 17, issued by the Insurance Department of the Chamber of Commerce of the United States.

Benefits must be sufficiently liberal, but they must not make the cost prohibitive or encourage the intentional prolongation of disability, the Department says. Several methods are in use for determining the amount to which any disabled person is entitled.

In eighteen stores a weekly benefit based on the salary received by the disabled person is in effect. It is significant, the Department says, that this method is in use in all the stores in which the employer bears the entire cost and administers the benefits.

In ten stores employees are classified by groups according to salary, and a scale of weekly benefits is established with a definite amount for each class. In nine stores schedules of benefits are established, but the employee may choose his group, paying dues fixed by the group classification. Employees receiving benefits under this plan either bear all the cost or contribute a considerable share. In each of the other eleven stores a flat sum is paid to every disabled person without regard to salary, service or other considerations.

Application of disability plans has raised financial and administrative problems. These problems and their solutions are indicated in the bulletin. The success of any plan, the bulletin says, is determined by the care with which it is proposed and explained to the employees. A sound underwriting basis is also essential to success—adequate funds must be maintained if current and future claims are to be paid promptly. The administration of any plan requires an efficient collection of dues, investigation of claims, and the making of payments.

Copies of the bulletin are obtainable from the Insurance Department of the Chamber of Commerce of the United States, Washington, D. C.

### Studying Distribution

OF THE committees appointed by the National Distribution Conference four have held their first meetings up to the time of going to press with this issue of the Nation's Business.

Committee Two, on Trade Relations, met at the Hotel Pennsylvania April 7. Mr. A. Lincoln Filene, chairman, presided. Following a statement by the chairman of the place of trade relations in any study of distribution, the committee discussed such phases of the question as cancellations and returns, unfair competition, credit practices and existing machinery for eliminating wasteful trade practices. After appointing subcommittees the meeting adjourned until a date to be announced later.

Committee Four, on Expenses of Doing Business, met in New York April 17. Mr. R. R. Ellis, of the Hessig-Ellis Drug Company, Memphis, presided. Existing studies of costs, made by trade associations, colleges and other agencies, were discussed. Subcommittees were appointed to examine such services as charge accounts, deliveries, returns, etc.; uniform expense classifications, failures; and turnover. Their reports will be received at the next meeting, the exact date to be set later.

Committee Six, on General Conditions Affecting Distribution, met at the Hotel Pennsylvania, in New York, April 1. Hon. Sydney Anderson, chairman, presided. The regulatory activities of the Government which affect business were discussed, such as the Federal Trade Commission, and the various regulatory acts. The second meeting of the committee for the purpose of receiving the reports of subcommittees will be held during the latter part of May.

Committee Three, on Market Analysis, Advertising and Advertising Mediums, met at the Hotel Belmont, New York, April 2. The chairman, Mr. Stanley Resor, president of J. Walter

Thompson Company, presided. Reduced to their simplest form, the questions considered by the committee were:

1. Can any waste be eliminated by the use of market analyses, advertising and advertising mediums?
2. Can any waste be eliminated by the avoidance of any duplication that now goes on in the work attached to the use of these instruments?
3. Can any inventory be made of market analyses already made and those in process? If made, could it be kept current?
4. Would there be any advantage in having a simple statement of the work that advertising performs?
5. Should such a statement list the principal types of mediums?

After a thorough discussion of the methods of examining these problems, subcommittees were appointed, under the chairmanship, respectively, of Mr. P. L. Thomson, of the Western Electric Company; Dr. Daniel Starch, of the American Association of Advertising Agencies; and Mr. L. B. Jones, of the Eastman Kodak Company, to undertake detailed studies assigned to them. The second meeting of the committee was set for the latter part of May, in Washington.

### Apprentices Receive Diplomas

A CLASS of 150 apprentices in the Cleveland building trades schools completed their courses in April and received diplomas at the first commencement exercises held by the schools. Plumbing, bricklaying, carpentry, painting, and electrical work are taught. The classes, which now include about 1,000 apprentices, operate under the Smith-Hughes law, an act that provides for Federal aid to part-time trade schools. The remainder of the money required for the operation of the schools is provided by the Cleveland board of education. Local manufacturers and dealers supply the materials used in the class work.

Each apprenticeship class is under the direct supervision of a joint committee of contractors, union representatives and the board of education. Every candidate for admission to a class must pass an examination to satisfy a trade committee of his mental and physical fitness for the trade he has selected. After he has qualified by examination, he is indentured to a contractor in his chosen trade, and is then admitted to the trade school, where he begins a four-year course.

Each apprentice is required to spend four hours a week in school during his entire apprenticeship period, for which he is paid by his employer. When an employer finds it impossible to keep an apprentice steadily employed, he is transferred temporarily to another employer. In that way every apprentice is kept employed the year round.

### Lowell Seeks to Reduce Taxes

AN INTERESTING experiment in behalf of a tax reduction and sharper scrutiny of the municipal budget is in progress at Lowell, Mass. A committee of representative citizens will be organized to inquire into loans for municipal improvements when the question of approving the loans is before the city council. The committee will consider proposed improvements with regard to their need and their total cost when available for use. No official powers are to be given to the committee to enforce its findings, but it will rely on public opinion to support its conclusions or recommendations.

This experiment in municipal finance had its origin in a meeting of the municipal affairs committee of the chamber of commerce and members of the city council, proposed by the chamber. At this meeting municipal taxation and expenditures were discussed. From the meeting developed the plan to subject proposed improvements to the scrutiny of a committee of citizens. The committee will include members of the municipal affairs committee of the chamber, citizens appointed by the mayor, some of the city's councillors, and possibly representatives of labor.

The city wants two new bridges and a municipi-



**A Great Nation-Wide Fencing Service**

Cyclone Nation-Wide Fencing Service offers:

- Service**—of Cyclone engineers to study your fencing requirements, make recommendations and submit estimates of cost. No obligation.
- Service**—of one of the 100 expert erection crews which are constantly at work installing Cyclone Fences. Or
- Service**—of an erection superintendent to direct your workers in installing Cyclone Fences.

Cyclone Service is available everywhere. Covers every phase of industrial fencing. Relieves the busy executive of all details when enclosing his plant with Cyclone Fences.

Phone, wire or write nearest office:

**CYCLONE FENCE COMPANY**

Factories and Offices:

- Waukegan, Ill.
- Cleveland, Ohio, Newark N. J.
- Port Worth, Tex.

Western Distributors:

- Standard Fence Co., Oakland, Calif.
- Northwest Fence & Wire Works, Portland, Oregon.

The Mark of Quality Fence and Service



**Cyclone Fence**

"Galt-After" Chain Link

PROPERTY PROTECTION PAYS

## The Economics of Distribution and Consumption in Chicago

Based on its large and prosperous population, two factors make Chicago one of the richest and most economically served markets in the world for the national advertiser.

The first of these factors is, of course, the vast number of retail outlets serving a population of more than 3,300,000, in an area less than 40 miles from center to circumference. Thirty-eight of the forty-eight states of the Union have a smaller population than Chicago alone. Low distribution costs, transportation and warehousing charges—all the elements of successful merchandising—are available here on an economical basis unexcelled anywhere in the world.

The second factor is the economy and effectiveness of advertising coverage. One medium—The Chicago Daily News—reaches and influences the buying decisions of the great majority of financially competent households in Chicago and its immediate suburbs. The Daily News' circulation of 400,000—approximately 1,200,000 daily readers—is concentrated 94 per cent in this territory.

Local advertisers, familiar with this fact, capitalize it by placing the preponderance of their advertising in The Daily News—and national advertisers who have or seek distribution here can wisely follow the lead and advice of local experts.

The thoroughness, economy and effectiveness of its advertising coverage place The Daily News, year by year, far in the lead of all other Chicago daily papers in the volume of display advertising printed.

**THE CHICAGO DAILY NEWS**  
*First in Chicago*



## Insure it!

**F**OR just a few cents you can give yourself North America Parcel Post Insurance protection.

Wrap a coupon with every package and you are insured against its loss, damage or destruction in the mails.

Mail the attached memorandum for information and rates.

## Insurance Company of North America PHILADELPHIA

"The Oldest American Fire and Marine Insurance Company"

Insurance Company of North America  
Third and Walnut Streets  
Philadelphia, Pa., Dept. N-5

Name.....

Street.....

City..... State.....

Wants information on Parcel Post Insurance



## Deaf Can Hear Says Science

### New Invention Aids Thousands

Here's good news for all who suffer from deafness. The Dictograph Products Corporation announces the perfection of a remarkable device which has enabled thousands of deaf persons to hear as well as ever. The makers of this wonderful device say it is too much to expect you to believe this so they are going to give you a chance to try it at home. They offer to send it by prepaid parcel post on a ten-day free trial. They do not send it C. O. D.—they require no deposit—there is no obligation.

They send it entirely at their own expense and risk. They are making this extraordinary offer well knowing that the magic of this little instrument will so amaze and delight the user that the chances of its being returned are very slight. Thousands have already accepted this offer and report most gratifying results. There's no longer any need that you should endure the mental and physical strain which comes from a constant effort to hear. Now you can mingle with your friends without that feeling of sensitiveness from which all deaf persons suffer. Now you can take your place in the social and business world to which your talents entitle you and from which your affliction has, in a measure, excluded you. Just send your name and address to The Dictograph Products Corporation, Dept. 1303-Z, 230 West 42nd St., New York, for descriptive literature and request blank.—44st.



## DAVEY Tree Surgeons are local to you

Every real Davey Tree Surgeon is in the employ of The Davey Tree Expert Company, Inc., and the public is cautioned against those falsely representing themselves.

Without cost or obligation on your part, we will be glad to have our local representative examine your trees and advise you as to their condition and needs.

### Save your trees!

Tear out this ad and attach to your letter-head. Mail today  
THE DAVEY TREE EXPERT CO., Inc.  
139 City Bank Building, Kent, Ohio

When writing to the above advertisers please mention Nation's Business

pal stadium; it needs a new fire-alarm system, must increase the capacity of its water system, and must have new school buildings. Lowell's property valuation in 1924 reached the point it should have reached six years later if the valuation increases had been normal. In eight years the valuation increased by \$50,000,000, and most of it was traceable to the stroke of a pen; little of the increase was traceable to expansion. Lowell is a textile city, and ten corporations pay one-fourth of the total tax levy. Lowell's dollar is worth only 75 cents and a fraction in maintenance service, the rest of it going for payments on principal and interest of past loans.

If the city can budget its needs for the next ten years, bond issues can be discussed more intelligently; if every citizen can be made to understand that the city's industrial growth is a benefit to him, first-class orators will find it harder to make a third-rate project seem first class in the council chamber.

D. WILLIAM TROTTER.

### New Hotels in Four Cities

**W**HEN fire destroyed the hotel in Wausau, Wisconsin, the chamber at once organized a hotel service department. About 300 rooms were found available for use, and the chamber then fixed fair rates for their rental. The service was maintained during the rebuilding of the burned hotel and cost the chamber from \$200 to \$300 a month.

The chamber at Seattle has celebrated the completion of a new hotel that cost \$4,500,000. The chamber began its work on the hotel project early in 1922, when it resolved to make the building of an adequate hotel its first interest.

Construction of two hotels is in progress at Albany, Georgia. One of the hotels is now nearing completion. To build it the chamber raised \$300,000 "without a cent of promotion fee." Buildings have been razed for the construction of the other hotel, which is to cost \$500,000.

The final report of the committee appointed by the chamber at Chattanooga, Tennessee, to solicit money for a new hotel, shows a total of \$2,000,000 subscribed. The hotel is to have ten stories and will contain 478 rooms. Construction, it is expected, will be completed by the end of 1925.

### New Home for Toledo Chamber

**T**HE NEW home of the Toledo chamber in the Richardson building at St. Clair and Jefferson Streets is to be ready for occupancy in May. The chamber will occupy the entire fifth floor of the building, with 28,000 square feet of floor space for its use, an increase of 16,000 square feet over the space available at the old quarters.

The auditorium will seat 1,200 persons. The maximum dining capacity will be 925—of which 327 in the main dining-room, 332 in the auditorium (800 when combined), and 125 in the six private dining-rooms.

Provision has been made for a lounge room with all the comforts of well-appointed clubs. A ventilating system designed to remove smoke, prevent kitchen odors, and to provide a circulation of fresh, clean air has been installed. A garage is available in the building.

### Indianapolis Industries Exhibit

**A** NEW interest in Indianapolis and in the products of the city's industries were important benefits of the six-day industrial exposition sponsored by the chamber. The exposition was held at the state fair grounds in a building with a maximum capacity of 25,000 persons and with an aggregate floor space of 158,000 square feet, of which 77,000 were allotted to exhibitors, and 81,000 were included in the aisles. Capacity crowds were reported every night.

The chief purpose of the exposition was to provide a wider knowledge of Indianapolis products, and the fact that the surplus in the exposition treasury was turned over to a charity organization shows that no profit was intended.

Supplementing the usual mediums of publicity was a so-called "trackless train," which included

a locomotive, tender and a coach built by the Lykglass Company of Indianapolis. Gasoline motors provided the motive power. The crew were members of the exposition organization. They gave talks on the exposition in towns and cities throughout the state and presented the mayors with lithographed invitations.

A special day was assigned to the schools so that the pupils could attend the exposition in a body. Free tickets were provided for the use of school children, and many came at night. A "men's club day" developed a friendly competition in the turnout of members for a parade through the aisles of the exposition building.

Explaining the interest of business men in the exposition, O. B. Iles, of the chamber's industrial committee, said:

Through this feature of combined effort manufacturers have ample opportunity to present their products in a most attractive manner. Backed by the chamber of commerce as it is, an organization vitally interested in a most varied line of activities, it draws from a source of aid unsurpassed by any local organization. This cooperation from such an organization is then capable of putting over most effectively such an enterprise.

The foundation of every city lies in its industries and manufacturers, the real producers of the community, and it is these organizations which give employment to the masses of workers and which mean their livelihood. . . .

When the industries are busy the whole city benefits from the various business activities; new people are brought into the community—hence the chamber of commerce feels that anything which tends to increase production of its home industries benefits the whole community. . . .

RUSSELL J. WALDO.

#### Michigan City Uses "Civic Column"

A "CIVIC COLUMN," edited by the chamber, is a weekly feature of newspapers published at Michigan City, Indiana. The "column" is a double-column space given by the publishers for the use of the chamber. In it are presented paragraphs "about Michigan City—Past, Present, Future." A "Way Back When" section presents little stories of men and women who helped to make the city and is based on letters and articles received from citizens who know the early history of the city. A "Now" section keeps tabs on the present, and a "Tomorrow" section turns an editorial eye on the upbuilding of the city by the faith and works of its citizens.

The "column" also includes announcements of conventions and other events in which the chamber is interested.

#### Brooklyn Prints Business Charts

TO INFORM members of the Brooklyn chamber of business conditions in the city, a series of charts is printed quarterly in *Brooklyn*, published by the chamber at Brooklyn, New York. The charts present information on the value of building permits, post-office receipts, money-orders issued, savings bank deposits and depositors, business failures, imports and exports of the New York district, subway and surface-line fares, number of factory employees, average weekly factory earnings, factory pay rolls, and the cost of living in New York City.

To the charts now included are to be added charts of electricity used for power, automobiles sold, and department-store sales. With each chart is printed a concise interpretation.

#### Prizes and Fords Quicken Sales

BLUE Mondays and dull Wednesdays will no longer depress trade in New Brunswick, New Jersey, if the retail merchant members of the Board of Trade can contrive a remedy. To stimulate business on Mondays and Wednesdays the merchants organized a popularity contest. Fifteen church, social, and fraternal organizations were entered. Three money prizes in gold were offered: First, \$300; second, \$200, and third, \$100. The contest ran for three months. The



## Punishment!

DODGE-TIMKEN ruggedness is necessary to continuously withstand the punishment to which modern industrial bearings are subjected.

Durable — simple — efficient as to lubrication and operation, the Dodge-Timken bearing has proved its economy over the long swing of every day use in hangers, pillow blocks, loose pulleys, and built-in machinery applications. Dodge Manufacturing Corporation, General Offices: Mishawaka, Indiana. Works: Mishawaka, Indiana, and Oneida, N. Y.



Dodge-Timken hanger bearings and pillow blocks should be your standard power roadbed. Dodge-Timken unit mountings should be built into the machinery produced in your plant. Write for "Facts Book." It is free.

**DODGE**  
**TIMKEN**  
ROLLER HANGER BEARING

EVERYTHING FOR THE MECHANICAL TRANSMISSION OF

Branches: New York Philadelphia Pittsburgh Boston Cincinnati Newark Chicago  
Atlanta Minneapolis St. Louis Houston Seattle Portland San Francisco

**Power**



## WHAT IMPRESSION Will They Get?

THOSE conferees on that big deal you are trying to put over, what will be their impression when shown into your conference room? Will they find a fitting background for the matter in hand and surroundings which reflect the progressiveness, reliability and integrity of the business you want them to favor.

SAMSON office and directors' tables are built to compliment offices in which they are used. Twenty-seven styles in 150 practical sizes are fashioned to reflect strength, durability and character. The careful hand work which goes into the building and finishing of SAMSON tables is evident. Their lasting beauty of surface is enhanced by the touch of craftsmen.

Your office outfitter carries SAMSON tables. We will gladly give you his name and some facts concerning the modern trend in office furnishing if you will write.

*Well appointed offices are as important to a business as is personality to its representatives*

MUTSCHLER BROTHERS CO.  
505 Madison St. Nappanee, Ind.

# SAMSON

OFFICE AND DIRECTORS' TABLES

\* Editorial Conference Room, South Bend, Ind., Tribune

votes were cast by means of coupons given with purchases—a dollar coupon entitled the holder to ten votes. The cost of postage, of printing and of the prizes was paid by selling coupons to merchants on the basis of 1 per cent of sales.

Merchants of Greenville, Mississippi, through the chamber, accelerated sales by giving away a Ford car on six consecutive Saturdays. Each dollar paid for a cash purchase or on account entitled the customer to a coupon which gave him a chance to win a car.

### Receptions to Honor Teachers

THE WAY to read a city's future is to know the school teachers, for they are training the minds of the business men and the business women of tomorrow—that is a belief of the chamber at Springfield, Illinois, and the chamber gave it expression by holding a reception in honor of the 400 teachers in the city's schools.

More than 2,000 citizens attended the reception and helped to present the program, which included addresses, music, a minstrel show, and dancing.

The teachers in the schools at Attleboro, Massachusetts, were similarly honored by the chamber and the citizens of that city.

### Kenton Alive to Farm Interests

AN OCCASIONAL letter presenting the attitude of organized business toward the problems of farmers is sent by the secretary of the chamber at Kenton, Ohio, to each farm bureau unit and each Grange in his county. The letters, he has found, are useful means of establishing friendly relations with the farmers. One letter invited attention to the work of the National Chamber in behalf of agriculture, and the relation of the Kenton chamber to that work.

Committees of merchants from the Kenton chamber visit the Granges from time to time, mingle with the farmers and talk with them of their common interests.

### Ads Win Tourists to Oregon

TOURISTS to Oregon increased from 30 to 35 per cent in a year and a half, according to a report from Portland, and the increase is attributed in part to advertising financed by a fund of \$300,000 raised by citizens of Portland for the development of the state. In addition to publicity the fund also provides for the improvement of marketing methods, and for land settlement.

In the eighteen months that the fund has been available, the walnut and cranberry growers have been organized, and assistance has been given to poultry and cannery groups. Representations in behalf of land settlement attracted five hundred more families to the state, and probably as many more families of whom there are no records available.

### Business Men to Make World Survey

THE COMPLETE personnel of the enlarged Committee on Economic Restoration of the International Chamber of Commerce, which is to make a world economic survey to determine measures for making the Dawes plan fully effective and to revive industry and commerce, has been announced by the American Section of the International Chamber of Commerce in Washington. The announcement was based on a cable dispatch sent from Paris by Willis H. Booth, president of the International Chamber.

The members from the United States are: Fred I. Kent, vice-president of the Bankers' Trust Company, New York, chairman; Owen D. Young, chairman of the board of the General Electric Company, former member of the Dawes Committee, former Agent General for Reparations, and member of the Council of the International Chamber of Commerce; Henry M. Robinson, president of the First National Bank, Los Angeles, former member of the Experts Committee, alternate member of the Council of the International Chamber; John H. Fahey, of Boston, publisher, former president of the Chamber of

Commerce of the United States, member of the Council of the International Chamber; Willis H. Booth, vice-president of the Guaranty Trust Company, New York, president of the International Chamber, member ex-officio.

The economic survey is to provide the basis for discussion of the general problem of economic restoration by the business interests of thirty-nine countries which will be represented at the third general meeting of the International Chamber of Commerce at Brussels June 21-27. The Brussels meeting will also consider several subjects which are of direct interest to international business, including reports of the standing committees on the protection of industrial property, which is concerned with patents and trademarks; the question of improvements in the system of foreign judgments; the question of unification of laws governing checks, and the subject of double taxation. Motor transportation will be considered in its relation to the general economic development.

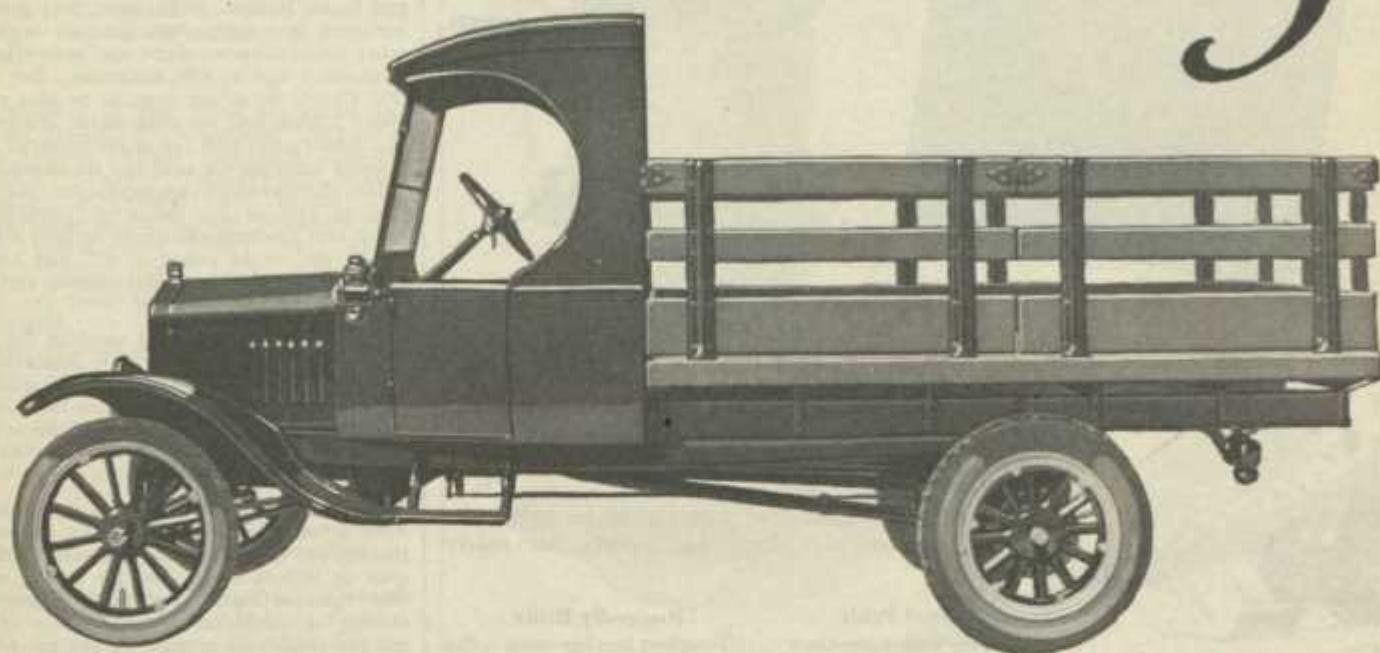
### Presidents and Works in Pamphlet

PICTURING past presidents and summarizing the goods works accomplished in each administration seems a novel formula for preparing chamber information. At Akron, Ohio, the chamber distributed a pamphlet which included pictures of all the chamber's presidents printed in small ovals. Printed opposite the picture of each president was a summary of the things done during his tenure of office. The presentation with pictures and text, the chamber reports, was effective.

### Coming Business Conventions

Date	City	Organization
May		
Wk. of 18	Washington	Chamber of Commerce of the United States
1	Atlantic City	Glass Container Association of America
4-6	Atlantic City	Associated Coopers and Industries of America
4	Atlantic City	National Association of Printing Ink Makers
5	Boston	American Cotton Waste Exchange
5-7	Atlanta	American Supply and Machinery Manufacturers Association
5-8	Cincinnati	Retail Delivery Association of the National Retail Dry Goods Association
5-7	Atlanta	Southern Supply and Machinery Dealers Association
6-8	Cleveland	Society of Industrial Engineers
6-8	White Sulphur Springs	Western Insurance Bureau
7-9	Pittsburgh	American Gear Manufacturers Association
10-14	Houston	Associated Advertising Clubs of the World
10-14	Houston	National Association of Theatre Program Publishers
10-17	Del Monte	Pacific States Paper Trade Association
11-14	Chicago	American Booksellers Association
11	Philadelphia	Atlantic Coast Shipbuilders Association
11	Boston	Mahogany Association, Inc.
11-14	Atlantic City	National Retail Coal Merchants Association
12-14	Milwaukee	Motion Picture Theatre Owners of America
12-14	Birmingham	Southeastern Retail Hardware and Implement Association
13	Birmingham	American Spice Trade Association
13-14	New York	National Association of Stove Manufacturers
19-22	Cincinnati	Linen Supply Association of America
19-22	Chicago	Master Boiler Makers Association
19-21	Beauregard Manor, N.Y.	National Association of Employing Lithographers
19-22	Houston	Southwestern Public Service Association
25	Houston	Association of Importers of Spanish Green Olives
25-26	Atlantic City	Certified Milk Producers Association of America
25-28	Hot Springs, Va.	Electric Power Club
25-28	Milwaukee	National Association of Purchasing Agents
26-28	Rochester	National Paper Box Manufacturers Association
26-27	French Lick	National Pipe and Supplies Association
28	New York	National Board of Fire Underwriters
28	New Orleans	Rice Millers Association
30	New York	United Wall Paper Crafts of North America

# Announcing



## Ford One Ton Truck With New Stake Body

Now you can buy a stake body mounted on the Ford Ton Chassis as *one complete Ford unit*.

This new product combines wide trucking utility with the operating economy of the Ford Chassis. It is built for hard service.

See it at the show rooms of your nearest Authorized Ford Dealer.

*Ford Motor Company*  
DETROIT

PRICE COMPLETE

**\$495**

F. O. B. DETROIT

*Sturdy all-steel frame.*

*Selected well-seasoned wood used for floors and rack boards.*

*Racks are in five sections and when latched at corners and joints give you a body of extraordinary strength and durability. The racks are easily removable to provide a platform truck.*

# Ford



## Good Covers Stimulate Agents' Interest

**T**RAINING agents is a task which was made easier for the Connecticut Mutual Life Insurance Company by the Molloy Made Cover shown above. It is a specially designed loose-leaf post binder in which the company's bulletins are kept by agents for ready reference.

### Institutional Pride

Such a cover does more than merely serve as a convenient filing device. It builds institutional pride in the agent—he is proud to work for a company which furnishes him with such help. His interest is stimulated, and he does better work.

### Covers for Any Purpose

Molloy Made Covers are ideal for such duty, or for catalogs, sales manuals, counter books, or statistical reports. They create a lasting favorable impression.

### Ruggedly Built

Toughest leather-cloth is the material from which Molloy Made Covers are built. They can be furnished in either stiff or flexible style, for case binding or for any style of ring, string, or post loose-leaf binding.

### Write To Us

Tell us about the book you are planning. We will be glad to offer suggestions as to a Molloy Made Cover which will stimulate reader interest, no matter what the purpose of the book may be. And the cost is moderate.



*Good Covers  
for Good Books*

THE DAVID J. MOLLOY COMPANY, CHICAGO

2861 North Western Avenue

Prospect-Fourth Building, Cleveland  
126 East 84th Place, Los Angeles

200 Madison Avenue, New York  
Carlton Publicity, Ltd., London

# MOLLOY MADE

## SMALL DROP FORGINGS

Forged and Trimmed Only or Machined Complete  
Modern Heat Treating Facilities for All Grades of Steel

ALSO

Carriage Bolts  
Machine Bolts  
Lag Bolts  
Cold Punched Nuts  
Hot Pressed Nuts  
Wrought Washers

Elevator Bolts  
Eagle Carriage Bolts  
Plow Bolts  
Step Bolts  
Small Rivets  
Turnbuckles

THE COLUMBUS BOLT WORKS CO.

Columbus, Ohio

QUALITY

SERVICE

## Reviews of Recent Business Books

**Alaska, An Empire in the Making**, by John J. Underwood. Dodd, Mead and Company, New York (Revised Edition), 1925.

The movies have done something to tell the world about Alaska, and Americans who get their geography from the screen know it for a land of great open spaces, checkered shirts, fur on man and beast, Indians, picks, pans, and prospectors fugitives, free gold, claim jumpers—and all the other colorful personalities and properties at the megaphone tips of film magnates. But it seems that there's something more to be said and done about Alaska, and the nomination is accepted by Mr. Underwood with the qualification of fourteen years of knowing the land and its people.

Mr. Underwood's appraisals of the natural features and of the industrial possibilities are warm and prodigal—he seems to hold a brief for Alaska and to be proud of it. But here is no blind advocate of bountiful charms and virtues. His Alaska

is no cradle for the puny nursing, for Alaska's way of rearing her young is inexorably cruel. She kills and maims and drives to madness the weaklings who seek to become her foster children. The death sting in her fierce blizzard strikes to the heart and her iron cold chills the brain.

Those are words of doom, of death, of decay. They serve to equalize tremendous bounties with tremendous poverties; they oppose blackest despair to highest hope. But the author sees to it that there is magnificence and majesty in his catalog of hardships—titanic forces of nature, not the sordidness of man, impose the trials, and so there is grandeur in the judgments.

Optimism unrestrained breathes from the forecasts of industry and commerce—"her sequestered inlets will become thriving industrial centers where the rumble of her thousand mills will mingle with the roar of many furnaces" may seem only the extravagant prophecy of partisan pride, but Mr. Underwood has done a useful service in recording the tenets of his faith that the course of empire now is facing northward, and that the new empire is to be made of Alaska.

**German Trade Associations**, by Archibald H. Stockder. Henry Holt and Company, New York, 1924.

A thoughtful study of the government-recognized control of price and production in Germany. Taking coal as his example, Dr. Stockder says:

The kartellization of the coal industry not only benefited the producing companies, but also the public at large.

The trade association in this country, struggling to find out to what extent it has power to exchange statistics, may read with interest this extract from a German court decision:

It cannot be considered as against the public welfare if the enterprisers participating in a given branch of industry band together in order to prevent or moderate price-cutting and the general decline in prices of their products.

**Social Consequences of Business Cycles**, by Maurice B. Hexter, with an introduction by Allyn A. Young. Houghton Mifflin Company, Boston and New York, 1925.

**Economics of Business Cycles**, by Arthur B. Adams. McGraw-Hill Book Company, Inc., New York, 1925.

Two more stout-hearted authors tackle the business cycle. In Dr. Hexter's book our old friend is tied up with a good many more of the world's ups and downs. Among the evidences cited is a chart "showing the marriage rate in the United Kingdom, in which the correlatives are the bank rate, employment, foreign trade, indoor pauperism and the consumption of beer." All that it seems to lack is the number of brown

derbies worn on the sunny side of Fifth Avenue.

Dr. Hexter thinks that human health is mixed up with the business cycle more closely than we know, but he says:

"The writer is very far from regarding fluctuations in the birth rate and the death rate as the sole cause of the business cycle."

So are we.

Dean Adams, who presides over the University of Oklahoma's School of Business, makes this as one suggestion for controlling the deadly cycle:

"The Federal Trade Commission should be given the power and duty of final approval or disapproval of the issuance of stocks, bonds and notes by all corporations engaging in interstate commerce."

**Wheat Studies of the Food Research Institute, Stanford University, California.** The World Wheat Situation, 1923-24; Current Sources Concerning Wheat Supplies, Movements, and Prices; Developments in the Wheat Situation, August to December, 1924.

These are the first three of the series to be issued by the Food Research Institute at Stanford University. A commendable effort to present world information on wheat, in a form readily assimilable.

**Inventory Practice and Material Control**, by Frederic W. Kilduff. McGraw-Hill Book Company, Inc., New York, 1925.

A complicated task discussed and described by an accountant. The income tax laws have added to the necessity for knowledge on this subject.

**Accounting Principles Underlying Federal Income Taxes, 1925**, by Eric L. Kohler. A. W. Shaw Company, Chicago & New York, 1925.

A reissue of a helpful book based on the 1924 income tax law and otherwise brought up to date. An appendix of problems makes it available as a text book.

**The Consolidation of Railroads**, by Walter M. W. Splawn. The Macmillan Company, New York, 1925.

A member of the Texas State Railroad Commission who is also professor of economics at the University of Texas, doesn't think that compulsory consolidation is the way out for the railroads. In fact, he says:

"The present situation does not seem to call for such drastic remedies as either consolidation or government ownership"—an unusual linking of ideas. He believes we shall have "voluntary or permissive consolidation" as changing situations demand.

**Sharing Management With the Workers**, by Ben M. Selekman. **Employees' Representation in Steel Works**, by Ben M. Selekman. **Employees' Representation in Coal Mines**, by Ben M. Selekman and Mary Van Kleeck. Russell Sage Foundation, New York, 1924.

These three studies are the first of a series to be done by the Russell Sage Foundation.

The first deals with the Dutchess Bleachery, where what amounts to a partnership plan has been in effect for six years. It has worked well despite the fact that most of the labor is low-grade and that there is a sharp line between the few skilled foremen and the rank and file. The plan has survived one test, that of wage reduction. A clear and readable account of a significant social and industrial movement.

The other two deal with employee representation in the coal mines and the Minnequa Steel Works of the Colorado Fuel and Iron Company. Russell Sage's money, studying John D. Rockefeller's methods! The Colorado Fuel experiments are regarded by the authors a forward step, but as still inconclusive since they give the workers no voice in fixing wages.



*This is the mustache that flared from the features of Philetas Paddock.*



*This is Philetas Paddock peering from behind his facial cross-purposes.*

*This is the soup that sustained Philetas Paddock's red corpuscles.*

*This is the mustache spoon that enabled Philetas Paddock to get soup into his system.*

**MUSTACHE SPOONS** never were brought within reach of the proletariat. Only the elite could afford such devices for the protection of starched fronts and the gratification of luxurious tastes.

The mustache spoon illustrated here was bought as a souvenir at the San Francisco Mid-Winter Exposition in 1894. It is made of silver, has an engraving of the setting sun in the bowl, and an embossed group of Exposition buildings on the mustache guard. Notice the small hook at the end. This enabled the user to hang his spoon daintily across the top of his soup-plate while he engaged in polite conversation.

Mustache spoons, as well as mustache cups, have gone out of fashion. Clean shaving has made them obsolete.

## COLGATE'S Rapid-Shave Cream

makes a wonderful lather which softens the beard at the base, where the razor's work is done. It makes clean shaving easy, and leaves the face soothed and velvety.

Daily shaving has become a business, as well as a social requirement. See coupon attached.

COLGATE & CO., Dept. 354, 351 Fifth Ave., New York.

Please send me free trial tube of Colgate's Rapid-Shave Cream for better shaving.

Name \_\_\_\_\_

Address \_\_\_\_\_

M. S.



## Taking Soundings

On a strange coast or in foggy weather, the navigator, to protect his ship, takes soundings. By the depth of the water and the deposit brought up on the lead, he is able to determine his position.

To protect your health against such constitutional diseases as diabetes, Bright's disease and other ailments toward which your constitution may be drifting without your knowing it, you should take periodical "health soundings."

This is the function of our Bureau. By means of urinalysis, we make a periodical check-up on the state of your health. These reports are true protection against those diseases towards which the system can drift unsuspected, as they are not apparent to the naked eye.

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The service only takes four minutes of your time per year. The cost is negligible and you can have full particulars of the service, what it means and what it does, free, without obligation.

## National Bureau of Analysis

F. G. SOULE, President and Founder  
N. B. 55 Republic Bldg., Chicago

National Bureau of Analysis,  
N. B. 55 Republic Bldg., Chicago, Ill.

Gentlemen: Please send me, free of charge, a copy of your booklet "The Span of Life" and full particulars of your plan.

Name .....

Address .....

## Chips from the Editor's Work Bench

A SUPER-ASSOCIATION is now on the horizon—a great association of associations. W. L. Chandler, secretary of the National Association of Purchasing Agents, has made a survey of the need for an amalgamation of clubs, councils, trade and industrial groups. The super-association would consider problems common to associational activity and provide counsel and direction from the experience of all groups.

And wouldn't the prospect of this tremendous welding gladden the old-time "organizer." There were "joiners" that were "joiners" in his day, and for them he got so much per head. Still, he plugged hard for the good of the order, and not even a super-association could now do more. But to get all the boys in the fold in one move, that is Napoleonic!

THE SATURATION point of the automobile market keeps moving upward with the increase of the nation's population and wealth



—27,000,000 is the figure now set by Col. Leonard P. Ayres, vice-president of the Cleveland Trust Company. There are 27,000,000 families in the United States, he says, and the family is the unit of car-use, just as it is for bathtubs. But the turnover of family bathtubs, Colonel, is slower than the turnover of family cars—perhaps because the "trade in" values are less stable. If new tubs are to take the place of old, advertising in the motor manner might help. . . .

FOR SALE—Large stream-line bathtub; used only by owner; throttles down to a trickle; accelerates to a gallon a second; small tub considered as part payment.

ALTHOUGH the railroads of the United States and Canada carried about 470,000,000 pounds of the more dangerous classes of explosives last year, no losses of life or property resulted, says the Bureau for the Safe Transportation of Explosives and Other Dangerous Articles. It seems certain now that railroad men believe in signs, but like as not, they were once boys who couldn't be trusted with firecrackers.

THE NUMBER of stockholders in gas and electric light and power companies has slightly more than doubled since 1918, according to a report to the Academy of Political Science by Robert S. Binkerd, vice-chairman of the Committee on Public Relations of the Eastern Railroads.

The increase in customer stockholders in this class of public-service companies since January 1, 1918, has been 815,955, said Mr. Binkerd. The increase of all classes of stockholders in these companies during that period was 1,361,279. In 1918 there were 1,250,000 investors in common and preferred stocks of gas and electric companies as compared with a total of 1,283,511 in all other industries for which statistics were available, including the

railroads. Now there are 2,611,279, as compared with 2,400,900 in all other industries.

At least 3,500,000 stockholders have been added since 1918 to the lists of public utilities and corporate enterprises, Mr. Binkerd estimated. Of these, 500,000 are employees, 1,000,000 are customers, and 2,000,000 are included in the general public. In addition to the stockholders, there has been an increase of at least 2,500,000 bondholders.

The figures give a new understanding of why public utilities are public utilities.

THE FARMER is specializing in making money on the farm, and should leave the stock market alone, said Prof. F. A. Pearson in a talk at the New York State College of Agriculture. The best investment for the farmer, he said, is in Liberty bonds or Federal Land Bank bonds, farm mortgages in the community, or in savings banks. "Life insurance is a good investment for those who find it hard to save. Common stock in railroad companies or in public utilities is usually a good investment."

No difference between speculation and investment, except in the risk, is apparent to Professor Pearson—but "the farmer should not finance oil wells or wild-cat ventures; he had better finance agriculture."

Or, he might have said, the livestock on the farm is more likely to yield profits than the wild stock of fake promoters. There's still a costly inclination to seek the distant Golden Fleece rather than to clip coupons from the sheep raised at home.

THOSE metal waistcoats now so fashionable among New York bank messengers were designed for safety first—the safety of securities which are accessible only by means of keys held at the banks of delivery. The armored midriff is a match for the hard-boiled yegg, but if hard-working thugs can't make a living on the street they may turn to taking their work home—where the chisels and the acetylene torch are handy.

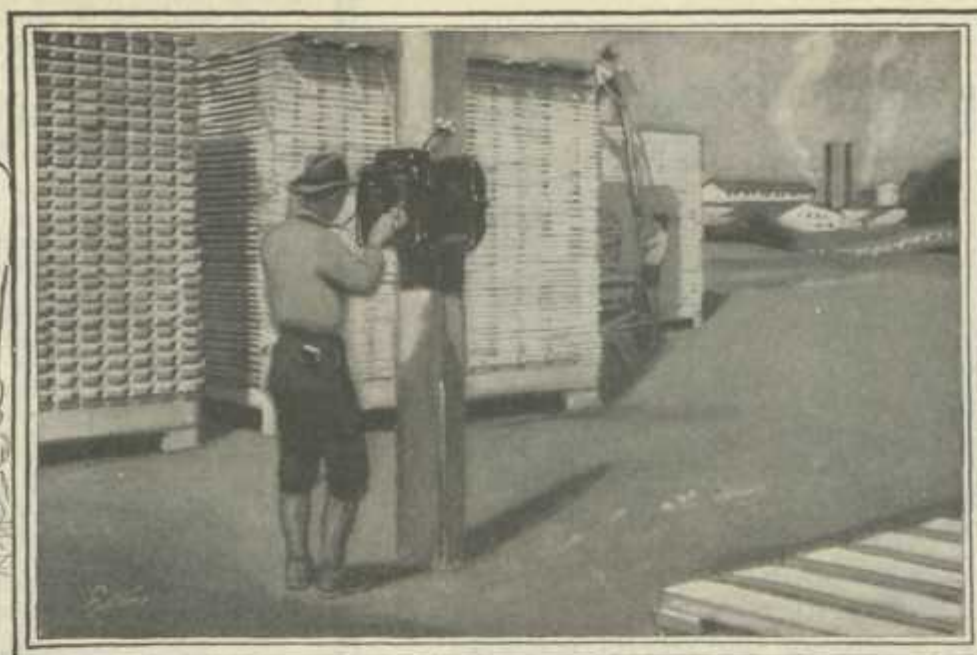
Of course, the messengers would complicate any such kidnapping exploit—would rather



die with their vests on than be carried off for a leisurely cracking. Nowadays a messenger may be down but he won't be out until his vest busts.

MOTOR cars come and motor cars go, but what becomes of the dealers? The registrations of the National Automobile Dealers' Association for the years 1920 to 1924, inclusive, show a decrease from 54,506 to 48,275, the years ending August 31. For 1920 the mortality of dealers was 10 per cent of the total registration; for 1924 the mortality was 30 per cent.

As long as there are cars, there probably will be distributors, but the figures say that once a dealer is not always a dealer. And Alvan Macauley, who keeps on asking people to "Ask the man who owns one," says "an



## The Last Train North at Noon

The general manager at the Quitman, Miss., plant of The Long Bell Lumber Co. picked up the telegram, glanced at the clock and leaned towards his P-A-X telephone.

Three quick spins of its dial started the code call for the shipping clerk. Out in the great sheds and through the mills, all along the line, P-A-X signals echoed the call *two-four . . . two-four*.

In a remote part of the rough lumber yards the clerk at once recognized his number and jumped to the nearest P-A-X phone.

"Hello, Fred," called the manager. "Here's a wire from Burke Company at St. Louis for a carload of B. Edge Grain Flooring. They want it day after tomorrow."

"The fast freight goes through at noon, chief. Do my best to make it."

Again it was up to the P-A-X. Snapping down the receiver to break the connection to the manager, the clerk dialled the car line foreman and relayed instructions.

The P-A-X is not only the world's fastest intercommunicating system but it is also the most complete and convenient one. For example, as in the story above, you may use its code call service to locate a man and then without further effort talk to him by means of its intercommunicating service.

For 24 hours a day the P-A-X is ready to give instant, accurate and direct connections. There is no operator to cause delays and errors. No operator to pay a salary.

Like Long Bell, nearly 2000 other organizations depend upon the P-A-X to speed up routine and help them through those daily emergencies when saving time will save them money and a customer's goodwill.



*The P-A-X is a private automatic telephone exchange built of the same Strosvager type of Automatic telephone equipment being so widely adopted for city service. Besides its fundamental use for interior telephony, the P-A-X includes and co-ordinates such services as code call, conference, executive's priority, emergency alarm, etc. It meets all intercommunication needs.*

## Automatic Electric Company

*Home Office and Factory, CHICAGO, ILL., Branch Offices: New York, 21 East Fortieth St.; Cleveland, Guyahoga Bldg. Representatives in all principal cities. In Canada—Northern Electric Co., Ltd., 121 Shearer St., Montreal, P. Q. Abroad—International Automatic Telephone Co., Norfolk House, Norfolk St., Strand, London, W. C. 2, England. In Australia—Automatic Telephones, Ltd., Mendes Chambers, Castlereagh St., Sydney.*



*Automatic Electric Company is the originator of P-A-X and is the only organization in the United States manufacturing interior telephone equipment under this trademark. Its use by any other company is absolutely unauthorized.*



## Manufacturing Facilities Available For Iron and Steel Products

A manufacturing company of national reputation established for many years, having excess capacity, is about to take up the permanent manufacture of one or two new products. The plant is large and modern. It consists of iron and steel foundries, pattern shop, forge and machine shops, fitted to handle both heavy and light work. This plant is located within less than 100 miles of New York City.

The company has sales offices from coast to coast, and is prepared to handle either contract work or to take over the entire production and sale of machines or devices made of iron and steel castings, forgings and plate work.

Address Box 20

NATION'S BUSINESS

industry whose distributing end is in this state is in no position to plume itself."

And neither are the motorized undertakers, let the dealers fall where they may. The passing of the hearse horse has made plumes passé. A mortician is now known by the motors he keeps—and the proof of his professional plumage is in his seating.

IN UTAH wallows the dirty San Juan River, freighting its mud to the swift Colorado. There are three times as much silt as water in the San Juan, says a report of the United States Geological Survey; "the river runs with a smooth, oily movement like that of molten metal, so red and viscous is it with silt." Doubtless, the true fountain of mud and iron. The report should cheer purchasing agents for party campaigns. Now, there need be no fear of a mud shortage.

SAN FRANCISCO has an aerial cab service provided by the Checker Air Service Company. Having called the cab company on the telephone, the air-cab passenger will be picked up five minutes later at his office or home, whisked to Crissy Field near the



city; transferred to the air cab with motors running, and shot through the air at 100 miles an hour to a flying field in the city of destination, where another land cab will be waiting to rush him to his hotel or appointment—all for 20 cents a mile for each passenger, when there are two flying in the same direction.

According to the schedules, a San Francisco business man will be able to get from his office to Sacramento in one hour, to Los Angeles in four hours, and to intermediate cities in proportional time.

FIGURES on the annual soot deposits per square mile of some English cities were given to the smoke abatement congress held in Manchester. The figures show Newcastle with 885 tons; Rochdale with 674, Liverpool with 660, Birmingham with 440, and London with 314. These figures were brought to the attention of American business in a report of Basil Miles, the American commissioner of the International Chamber of Commerce at Paris.

Smoke abatement is important in the general elimination of economic waste, for cutting down the "overhead" is a first principle of good business. A city that can measure its gloom is likely to find means to let in more sunshine. But haven't the English garbled that Scotch greeting?—it must have been "Soot mon!"

THE COST of doing business must be paid by the customers of course, but customers do not take equal amounts of selling time. Then, why shouldn't each customer bear only a proportionate service charge, based on the selling time required? So suggests Dr. Edwin E. Slosson, of Washington.

Figures ascribed to the Harvard Business Bureau are cited by Dr. Slosson—to sell \$3



### First Aid to More Work

Pure, fresh, clean water stimulates workmen to greater effort. It conserves "time out" and tends to keep them on the job. For these reasons, Rundle-Spence Vertical-Slant Sanitary Drinking Fountains furnish "first aid to more work."

Lips can't touch the R-S nozzle—that's the big point to remember. The slight slant stream prevents water from falling back upon the jet. It is impossible for germ-laden mouths to pass disease along to others.

The R-S line includes Sanitary Drinking Fountains, Bath and Plumbing Fixtures and Supplies. Write for new, illustrated catalog which gives specifications, prices and complete information on the entire R-S line.

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Established 1909

170 Broadway

New York

worth of groceries costs 51.9 cents, he says, and of that cost, 32 cents go for salaries; similarly, salaries take \$1.03 of the \$7 received for a pair of shoes, and 77 cents of the \$5 sale of merchandise in a department store.

If only 7 minutes are required by one customer to buy a \$7 pair of shoes, asks Dr. Slosson, why should he have to pay for the hour taken by a customer who buys another pair of shoes for \$7? Seemingly, the customer should pay a service charge in proportion to the time required of the clerk.

One store, to Dr. Slosson's knowledge, used a stop-watch to measure the selling time—when the sale was made the clerk stopped the watch and then charged, for the time taken, "a certain fraction of his day's wage." And "Why not equip our cash registers with such a device?"

The idea of a service meter is interesting in theory, but in practice . . . well, it simply isn't done. Just suppose Mrs. Spivis and Mrs. Giffle to have bought satin slippers at the same price. "Bong!" goes the meter. "Time on Mrs. Spivis 10 minutes." "Time on Mrs. Giffle 35 minutes."

But can anyone see the clerk collecting the service differential from Mrs. Giffle?

**HOMESTEADING** is "quiet," to use a market term. The reason, says the Department of the Interior, is that virtually all the fertile public lands have already been homesteaded, and most of the remaining lands are not susceptible to cultivation or capable of producing a reasonable livelihood for an average family.

During the last five years stock-raising entries have decreased from 20,979 in 1920 to 7,006 in 1924. Original desert-land entries, which amounted to 1,026 in 1920, were only 317 in 1924. Original homestead entries on the public domain were 48,532 in 1920, as compared with 13,886 in 1924. The mineral leasing act entries, authorized by the mineral leasing law of 1920, have declined from a total of 10,575, in 1920, to only 6,067 in 1924. Disposition of isolated tracts of land belonging to the Government by public auctions during the last five years has also diminished.

Not so long ago, "doing a land-office business" raised a picture of frontier adventures and pioneer enterprise. Now the words are no more thrilling than a New England boiled dinner.

**EXTRA** vitality and increased nerve force for the worker are results of the free noonday lunch, now provided by business organizations, in the opinion of Dr. Charles W. Crankshaw, president of the New Jersey State Sanitary Association and physician in charge of the infirmary of the Prudential Insurance Company of America, which provides a meal daily in the dining-room and cafeteria of the home office at Newark to more than 5,000 employees.

The free lunch is no innovation, but it has been improved with scientific consideration. And the corporation cafeteria seems about to oust the "full dinner pail," a bright spot of the political past. The workaday pail had none of the rural charm of the old oaken bucket, but it did have a useful versatility—it could produce food and votes.

**AND JUST** as the world seemed safer for ballplayers, the Department of Agriculture announced a new variety of raspberry. Well, a "rasp" in the big leagues is worth two in the bush.

—R. C. W.

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## "I would have been lost in Europe without your letter of credit"

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"When I went to Paris, at the start of an extended tour, a great load was lifted from my mind by your Travel Service Bureau there. It not only answered many questions with authority, but performed a score of services one would not ordinarily associate with a banking organization."



Experienced travelers use the ETC Letter of Credit because of their experience. Inexperienced travelers will find it a great aid in saving time and trouble and in traveling with a greater sense of security.

If you live outside of New York your own bank will issue an ETC Letter of Credit to you.

## THE EQUITABLE TRUST COMPANY OF NEW YORK

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Bush House, Aldwych, W.C. 2  
PARIS: 23 Rue de la Paix  
MEXICO CITY: 48 Calle de Capuchinas

### DISTRICT REPRESENTATIVES

PHILADELPHIA: Land Title Building  
BALTIMORE: Calvert and Redwood Sts.  
CHICAGO: 105 South La Salle St.  
SAN FRANCISCO: 485 California St.

## Recent Federal Trade Cases



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**H**E built wealth and independence with Forman Bonds. Now, long before he is fifty, he has the leisure and the means to enjoy life—confident that his funds are safely and wisely invested in strong First Mortgage Real Estate Bonds.

First he invested a thousand dollars, then another, then another. Every time he had surplus funds looking for a safe place to produce and increase, he put them into Forman Real Estate Bonds. His principal quickly mounted up, for he promptly reinvested the bond interest. It was not long until he had won ease and luxury.

Many men and women are looking for a place where their money will produce and increase—a place where there is no risk—a SAFE place, where 6½% interest comes as regularly as winter and summer. Those men who choose Forman Bonds find that place.

We have two books for you. First, our booklet, *How to Select Safe Bonds*, now in its third edition. Then we have a new book of special interest to the smaller investor, showing by charts and plans how money grows, and how to accumulate Forman Bonds on the Partial Payment Plan. For either one, or both, just check and mail the coupon below.

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- ☐ Booklet, *How to Select Safe Bonds*.  
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**I**MPORTANT changes in the Federal Trade Commission's rule of procedure and its policies have been authorized by a majority vote of the Commissioners. A statement issued by the Commission defines its new position. This statement indicates changes as follows: No complaints redressible in the courts will be entertained hereafter unless the public interest is considerably involved; when the persons involved are willing, cases against them will be settled by stipulation and the procedure of formal complaint, answer, hearing, and formal order "to cease and desist" will not be used, unless the Commission decides that the circumstances are such that the public interest requires this procedure; a hearing will be granted to all respondents before the issuance of formal complaint.

A majority of the Commission believe that the mere issuance of complaint may be damaging if the complaint is dismissed.

### ADVERTISING

imitation grape juice with pictures of grapes and vineyards is in bad taste, the Commission suggests, in a prohibitory order directed to a Birmingham manufacturer of beverages and syrups. The company cited in the order made an agreement with the Commission that without the expense and trouble of additional testimony, the Commission would enter its order disposing of the proceeding.

The company is required to discontinue using words or pictures in advertising matter or on containers that suggest its product "Nu Grape" is made of grapes or grape juice; shipping or authorizing the shipment of advertising matter with such representations to bottlers or dealers selling "Nu Grape" beverage or syrup. Should the company make use of the word "Nu Grape" in advertising its beverage or syrup it is required by the order to provide an explanation in close proximity to the word "Nu Grape" and in conspicuous letters, that the product is an imitation and is not grape juice.

**S**ELLING practices of a stock and poultry medicine concern at Maumee, Ohio, which the Commission held unfair competition, are ordered discontinued. Two officers and a traveling representative of the concern are named in the order. The Commission reports that the concern, in soliciting orders for stock and poultry medicines from retail dealers, used a "consignment contract," falsely represented, the Commission says, as being merely an "order."

Signatures of retail dealers were obtained to these contracts, the findings state, "in various questionable ways"—as holding the contract so that it was difficult for the dealer to read it; soliciting signatures when the dealer's attention was distracted, and failing to provide copies of the proposed contracts.

The so-called "consignment contracts," the findings say, included false statements, which the Commission specifies as follows: That the company would stock dealers' stores with its goods for which the dealer would not have to pay, being allowed 33 1-3 per cent of the sale price as his commission. Among other clauses of the contract cited by the Commission is one requiring the dealer to provide the company within ten days from the date of contract a list of one hundred customers to whom the company would send advertising matter.

The contract stated, the Commission says, that in the event of the retail dealer failing to fulfill any agreement of the contract, he would then have to pay the contract price of the goods then

on hand, less the dealer's commission. The company frequently, the Commission found, did not supply blanks to the dealer on which were to be listed the one hundred customers until too late for him to return the list within the ten days specified. Thereupon, says the Commission, the company would refer to the clause concerning the failure of the dealer to fulfill any part of the contract, and would bill the dealer for the goods then in his hands.

The practices outlined are covered by the order.

**D**RUMMING up trade with the good name of another firm does not seem fair to the Commission, and it has again recorded its dis-

approval, this time in a prohibitory order issued to a New York manufacturer of lighting fixtures and machinists' tools.

According to the Commission's findings, this manufacturer stamps steel rulers of its manufacture with the letters "B & S" in a manner and style identical

with the trade name or symbol used by the Brown & Sharpe Manufacturing Company, which has for many years used these letters as a trade mark to identify tools and steel rulers manufactured by it and sold throughout the United States. The New York manufacturer used the marking without the consent of the Brown & Sharpe Manufacturing Company, the Commission found. The effect of the practice, the findings say, is to make prospective purchasers believe that they are purchasing steel rulers manufactured by the Brown & Sharpe Manufacturing Company.

**T**HE COMMISSION is in position to get a rise out of a baking powder company of Chicago by issuing a complaint of unfair competition. The company represented through various mediums, the Commission contends, that the baking powder made by the Royal Baking Powder Company, when used in baking, forms or tends to form a hard mass in the digestive tracts of persons consuming food prepared by its use.

The complaint further charges that the agents of the Chicago company in house to house canvass make comparative tests between its own and its competitor's product, the tests being so manipulated by carefully trained and instructed demonstrators as to give the impression that the Chicago company's product is superior to that of the Royal Baking Powder Company's product. These tests are deceptive and misleading, the Commission contends, and result in the public being deceived as to the relative merits of the baking powders tested.

Baking powder that has deteriorated should not be advertised as "material guaranteed in perfect condition," the Commission believes and it defines its belief in a case involving a New York business man. This man, the Commission explains, bought a considerable quantity of surplus baking powder held by the Army in France at the end of the World War, when it was re-shipped to this country.

He advertised it for sale at 4½ cents a pound, the Commission says, although at the time the market price of this brand was 13 cents a pound to wholesalers. The company which had manufactured the baking powder analyzed it, the findings state, and informed the dealer that it was in a deteriorated and damaged condition, and unfit for use. The Navy Department also

→ Before you build a Factory or Warehouse—see Weyerhaeuser ←



MODERN "MILL CONSTRUCTION" BUILDING—W. E. S. Dyer, Architect and Engineer

## Sorting Out The Facts and Fallacies About Industrial Fire Safety

*A message to Business Men about Weyerhaeuser-Ideal Industrial Construction*

AS a result of twenty-five years of experience with so-called fire-proof industrial buildings, in comparison with the old standard "Mill Construction" factories and warehouses, some facts have come to light which may well be pondered by the industrial man who has a building program on his hands.

The only successful, sizable, concerted effort to reduce fires in American industry has been effected in buildings of the "Mill Construction" type.

As against fire risk from outside, between the "Mill Construction" building and the so-called fire-proof building there is little to choose. Both have fire-safe walls, roofs and doors—and presumably fire-guarded windows.

Nearly all fires start in the contents of a building.

For a sprinkler-protected "Mill Construction" building, the insurance costs on building and contents may be lower by 75% than in the case of a so-called fire-proof building without sprinkler protection.

In one section of this country there are hundreds of great "Mill Construction" factories protected by sprinkler systems against inside fires, on which the losses from fire over a recent 3-year period have averaged only 3½ cents per \$100 of insurance written.

The "Mill Construction" building costs less to build—which means a saving in interest charges and a further saving in taxes.

Less money is tied up in factory and warehouse. More is kept liquid for working capital—to be converted into merchandise that can be turned over and over, showing a profit.

THIS is not meant to imply that all the new building should be turned back again to "Mill Construction."

Just when "Mill Construction" should be used is a question to be decided on its merits in each individual case.

It is the function of the Weyerhaeuser Expert Construction Engineer to advise on this matter—whether "Mill Construction" can logically be applied.

Weyerhaeuser was led to study this

whole question of industrial construction as part of its program of enlightened lumber service to American industry.

The Douglas Fir Mills of the Weyerhaeuser organization are producing selected timbers of the finest possible wood for "Mill Construction" needs.

Through the Weyerhaeuser distributing plants in the heart of Eastern and Mid-Western markets, these timbers are laid down quickly and economically in the principal industrial sections of this country.

Weyerhaeuser has put the results of its study into a book—"Industrial Buildings." This book is for the Business Man.

For his Building Engineer, Architect, and Purchasing Agent there is another book, "Structural Timbers of Douglas Fir."

These books will be mailed without charge, on request from those interested.

### WEYERHAEUSER FOREST PRODUCTS SAINT PAUL • MINNESOTA



Producers for industry of pattern and flask lumber, factory grades for remanufacturing, lumber for boxing and crating, structural timbers for industrial building. And each of these items in the species and type of wood best suited for the purpose.

Also producers of Idaho Red Cedar poles for telephone and electric transmission lines.

Weyerhaeuser Forest Products are distributed through the established trade channels by the Weyerhaeuser Sales Company, Spokane, Washington, with branch offices at 208 So. La Salle St., Chicago; 220 Broadway, New York; Lexington Bldg., Baltimore; and 2694 University Ave., St. Paul; and with representatives throughout the country.

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Control thru a well-planned and carefully observed BUDGET is *grip control*. It keeps the business in hand every minute—plant, money, material, personnel and activity.

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ROCHESTER	TOLEDO	KALAMAZOO	DAYENPORT	JACKSON
BOSTON	COLUMBUS	PITTSBURGH	INDIANAPOLIS	NEW ORLEANS
PROVIDENCE	YOUNGSTOWN	WHEELING	ST. LOUIS	DALLAS
PHILADELPHIA	AKRON	ERIE	KANSAS CITY	HOUSTON
BALTIMORE	CANTON	CHICAGO	OKLAHOMA	FORT WORTH
WASHINGTON	DAYTON	MILWAUKEE	SENDER	SAN ANTONIO
RICHMOND	LOUISVILLE	MEMPHIS	SAN FRANCISCO	WACO

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found it unfit for consumption, the Commission reports.

Despite this information given him, the Commission alleges, the dealer continued to advertise and to sell in various states the deteriorated baking powder as "material guaranteed in perfect condition," a practice which the Commission regarded as unfair not only to the manufacturer of the baking powder, but also to wholesalers, retailers, and consumers.

The dealer has been ordered to discontinue the alleged misrepresentation and sale of deteriorated baking powder.

A BRAND of soap sold by a company of Kansas City, Missouri, is not what it is made to seem to the public, says the Commission. According to the complaint issued in this case, the company causes to be stamped on each cake of soap and printed on each wrapper the words "Royal Medicated Cuticle Doctor Soap." In soliciting dealers the company represents the soap as medicated and having ingredients with a curative and healing effect on human skin, the Commission charges, and that the soap is a high-grade toilet soap of regular 25-cent value.

Further, the Commission charges, the company on making a sale causes to be inserted in newspapers of general circulation, in the dealer's community, advertisements including the statements indicated.

The Commission alleges that the company's soap is neither medicated nor of the value of 25 cents, but is of the reasonable value of 10 cents a cake, and is regularly sold to dealers to retail at the latter price. These practices, the Commission contends, divert business from the company's competitors by misleading the public, and are unfair methods of competition.

OFFICERS and members of an abrasive paper and cloth manufacturers exchange in New York have been rubbing competition the wrong way, suggests the Commission in a complaint charging the use of unfair methods of competition in cooperating with others to maintain a price schedule at which abrasives shall be offered for sale to the public.

The complaint alleges that the exchange, its officers and members are engaged in a wrongful combination affecting commerce in abrasives throughout the United States, and that they sell about 90 per cent of the abrasives sold annually throughout the United States. The alleged combination, the complaint says, has for its purpose and intention the fixing of uniform prices, terms and discounts at and upon which abrasives shall be sold.

The complaint recites methods alleged to have been used in maintaining the price plan, as the establishment of uniform methods of computation of prices, the exchange among members of price lists, discounts and other data, all of which the Commission contends, have the effect of suppressing competition and restraining trade in the sale and distribution of abrasives.

A TENDENCY toward monopoly and the hindering of competition in the manufacture and sale of automotive frames and parts is seen by the Commission in the business activities of a Cleveland company. The Commission contends that the company was organized to acquire the capital stock, properties, assets and business of a New York corporation and a Detroit company, both manufacturers of frames for automobiles. After the acquisition of the two companies, the Commission charges, the Cleveland company caused a discontinuance of manufacturing automobile frames in the plant of the Detroit company.

Since the Cleveland company acquired the two concerns, the complaint says, it has sold about one half of the total number of frames and frame parts for automotive vehicles sold annually in the United States, the other half being sold by about six frame manufacturers, who have been and now are competing among themselves and with the Cleveland company in the sale of

frames. The Cleveland company is alleged to have restrained in interstate commerce the sale and distribution of automotive frames and frame parts in some sections of the United States.

**MISBRANDING** of fabrics with regard to the materials or ingredients is again condemned by the Commission in a prohibitory order directed to a corporation of Nashua, New Hampshire, and its selling agents in Boston. The order requires that the alleged misbranding be discontinued.

The Commission found, it reports, that the company manufactured and sold through its selling agents blankets composed wholly of cotton which it designated as "Woolnap" blankets, and that the company since 1907 has been using the trade mark "Nashua Woolnap," registered in 1917.

According to the Commission's findings, the use of the word "Woolnap" on labels attached to blankets composed entirely of cotton, except when accompanied by words or phrases disclosing the cotton composition, or by words or phrases disclosing the fact that the blankets contain no wool, has the tendency to mislead and deceive the public into the belief that the blankets bearing the "Woolnap" labels are composed wholly or in part of wool.

**THE PUBLIC** is deceived and misled by a so-called "plateless engraving" company of St. Louis, says the Commission in reporting the issuance of a complaint. The Commission explains that the company advertises and sells under the designations "plateless engraving" and "plateless embossing" a product not the result of the use of engraved or carved metal plates, which is the usual method understood to be used in embossing and engraving. The company's product is made by applying a chemical in powdered form to letters resulting from inked type or cuts. Heat is then applied, causing the chemical to fuse and present a raised letter effect closely resembling genuine engraving.

Use of the word "engraving" in the company's trade name, on its stationery, and in advertisements, the Commission charges, has the tendency to mislead and to deceive the public into the erroneous belief that the company is an "engraving" company, and that its products are "engraved" or "embossed" in the manner understood by the public.

**METHODS** of buying cream and butter fat, as practiced in the states of Minnesota, Iowa, North and South Dakota, by the head of a creamery and produce company at Worthington, Minnesota, got in bad odor with the Commission and it has issued an order that specifies the practices it requires to be discontinued.

In its investigation of this case, the Commission found, it says, that the company solicited and induced employees of some of its competitors to violate and terminate their contracts, and induced these employees to deliver to it the business and patronage belonging to the competing firms. Also, the Commission found that the company through offers of higher rentals induced building owners to terminate competitors' tenancies in buildings used by the competitors in buying cream and butter fat.

The findings state that the company cited in the order had full knowledge of a "trade practice submittal" held by creamery owners, which was called "for the purpose of eliminating from the industry practices which experience had proved to be unfair." Although the head of the company cited in the order was not at the conference, the Commission says he was notified from time to time of the provisions of a resolution adopted by the industry. This resolution related to interference with the contracts of employers and employees "for the purpose or with the effect of dissipating, destroying or appropriating in whole or in part, the patronage, property or business of another engaged in such industry," and declared interference of that sort to be unfair.



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## Trade Paper Digest

Current Comment in the Business Press



**THE ETERNAL** question—How's business?—finds a fairly uniform answer these days: Business is on the whole good though the high hopes entertained by some have not been realized.

The unwisdom of counting upon a boom, foreseen by reliable journals and outlined in the *NATION'S BUSINESS* in January, has been proved. *The Iron Age* detects under the "outward expressions of hope that there would be no business boom" a very distinct "inward hoping that there would be the semblance of such in the particular case of each wisher." But "the problem of the hour," thinks the journal, "is not so much worrying over the rate of the continuing volume of business as the need of realizing we are in for a period of active competition, with all that this means in attention to selling and to economies in making as well as in distribution."

*The Price Current-Grain Reporter* quotes a survey recently issued by the Guaranty Trust Co. of New York, which "speaks of a perceptible pause in the buying movement as compared with the marked stimulus to business during the first two months following the election." The survey continues: "There remain, however, ample reasons for the belief that 1925 will be a good year for business generally."

*Commerce and Finance* finds that purchasing for the spring season is thus far admittedly below hopes. "Hand-to-mouth buying is still general. Bradstreet's survey by districts shows only 'fair' nearly everywhere, with only ten 'good' spots in 86 trade reports. Collections similarly are slow to fair." Industry on the whole shows up better than trade, it is pointed out.

The large volume of sales, says the journal, that some had expected, "is not materializing. Industries, or most of them, are well occupied, but are not geared up to the abnormal rate of production that some had hoped to see."

*Oil, Paint and Drug Reporter* finds "the outlook of far greater potentiality for continued prosperity than it has been in more than a year. If there be some few who voice dissatisfaction because trading and prices have not broken all records for speed in an upward rush, they are the immaterial remnant of the disciples of boom, and their plaintive pipings have been wholly lost in the rhythmic roar of the machinery of industry and commerce."

*The Commercial & Financial Chronicle* has the same report to make: "General trade is still on a moderate scale. There is little or no buying ahead, any more than there has been for some months past." On the question of buying ahead, however, the journal meditates and sees the possibility of a profound change coming over the trade methods of this country—"There is no doubt whatever that the tremendous increase in the efficiency of the railroad system of the United States promotes quick deliveries and makes the merchant more deliberate in renewing supplies. He need not accumulate large stocks and needlessly lock up money for considerable periods of time. Possibly old methods are changing in this respect. Introduction of auto-truck delivery also makes for quick transport."

### Economy? Saving Waste; The Press and the President

**ALL THE** press applauds the President's inaugural address, but as to certain statements and attitudes there is variety of opinion.

Probably *American Lumberman* sums up the general approval when it says, "... all American citizens may read President Coolidge's inaugural address with a conviction that it presents to the world the true America as the best of America's citizens would have it."

But *The Commercial & Financial Chronicle*

finds some question as to whether the economic principles which Mr. Coolidge enunciated "are in accord at all points with his course as President thus far, or whether it will be possible to apply all of them without reservation to future problems as they arise." And the journal continues: "His approval of the postal bill, for example, carrying an addition of some \$60,000,000 to the annual postal charge of the people, is an obvious deviation from his program of lightening the burden of the public, defensible only on the assumption that he did not think it proper to oppose a measure to which Congress was evidently committed."

A similar feeling is shown by *The Prairie Farmer*: "Even the President slips now and then, as when he signed the bill increasing salaries of congressmen and cabinet members something more than a million dollars a year. The saving disposition which led him to veto the soldiers' bonus and postal employees' salary bills last year seems to have been missing when Congress asked for help. However, we live in a political world, and perhaps it is expecting too much to hope that economy will always be completely victorious over politics."

Even the President's faith in economy is not highly appreciated by some. *Manufacturers' Record* warns, "While this defense of economy is in part true, it must ever be remembered that there is a withholding that tends to poverty. . . . Rather would we say that liberality of spirit and of purse . . . leads to a higher life." The President's action in raising postal revenue is, to the journal—as to most publishers—a matter beyond understanding.

Rumors there are that some think the practice of economy may have a "deleterious effect on business." Such comments are based, asserts *The Manufacturing Jeweler*, on a "misunderstanding of the meaning of the word. The best answer to this is that economy is not parsimony, and the President makes it plain that his meaning is conveyed in Webster's definition 'orderly arrangement and management of affairs, directly concerned with maintenance or productiveness.' Economy, yes!" agrees the journal, "but parsimony, no! Buy value, avoid waste, and business will prosper!"

### Is Jardine Handicapped? Will Need Liberty as Well as Lore

**IT IS** said that some 300 names were sent in to President Coolidge as suggestions for the new Secretary of Agriculture. Out of these Mr. Coolidge picked the winner—Dr. W. M. Jardine, president of Kansas Agricultural College.

"West of the Mississippi he is well known," says *The Rural New-Yorker*, and thinks "the selection will be praised." *Southern Ruralist*, while admitting no first-hand knowledge of the new Secretary, concludes "from those who do know him" that "he is rather well prepared for the position." The journal hopes that under him the Department of Agriculture "will find itself in the hands of a man that is able to stand his ground where the fighting is going to call for a high degree of leadership and for loyalty to agriculture that cannot be shaken."

After an outline of Dr. Jardine's history, *The Washington Farmer* adds some great praise: "His sincerity, fairness and courage have never been questioned by those who know him."

Regret that the new Secretary comes into office under two handicaps marks the comment of *The Prairie Farmer*: "One is the report of the President's farm commission, of which he was a member; the other is the feeling that Mr. Hoover's influence is largely responsible for his

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appointment." According to this journal, "farmers do not view kindly Mr. Hoover's growing dominance in agricultural affairs at Washington"; and the new Secretary, says the journal, "may win the active support of middle-western agriculture" only if he "becomes secretary in his own right" and "does not allow his policies to be dictated from the Department of Commerce," and, finally, "if he demonstrates that his grasp of farm problems is much broader than that of the President's Commission."

As to the Commission, *The Price Current-Grain Reporter* has heard that Dr. Jardine's name did not at first appear on its list of members. He was "in Washington at that time to address the representatives of the land-grant colleges, on which program President Coolidge was a speaker. There was a week-end trip on the President's yacht, and Jardine was later found to be a member of the commission."

## Africa Leads 1924 Auto Van; U. S. Per Cent Less than Half

IN THE world's automobile registration, the United States stands at one extreme with 17,740,236, British Somaliland at the end of the list boasts a grand total of 15, while Abyssinia, with 35, is a full length ahead of her. There is still a distinction attached to the ownership of a car in these African countries.

*The American Automobile*, in a most interesting article, gives complete figures on all countries and states that "automotive progress in 1924 was excellent from every point of consideration." When it is learned that "there were 21,374,506 automobiles in use throughout the world on January 1, 1925," involving an increase for the year 1924 "of 17.2 per cent," the statement seems entirely justified.

All parts of the world participated "in rolling up the enlargement of 1924," but to Africa the palm must be awarded for the greatest gain—35 per cent, and to Oceania honorable mention for 31.7 per cent. Registration in the United States increased by 15.6 per cent.

It may be doubted whether the question of a possible saturation point need worry automobile manufacturers.

## Fur Trade's "Charity Chest" Cheers Tired Business Man

THE FUR industry of New York City has started a scheme which seems to everybody a good thing. It involves one of those why-didn't-we-think-of-it-before ideas which seem so simple and inevitable after someone has suggested them.

The proposal is a "Charity Chest" in which members of the fur industry can pool those financial contributions to charity which heretofore they have given individually. New York enjoys multitudinous drives, and business men, though open-handed and anxious to help, are subjected to many and insistent calls for donations which they can hardly refuse or investigate. The "Charity Chest" will put an end to this nuisance, so far as the fur industry is concerned.

Henceforth, embarrassing situations will be eliminated, each firm will be able to enter a definite donation sum in its yearly budget, and there will be expert investigation of the merits of causes seeking aid.

The charities themselves will greatly benefit, for no money will be diverted from their use to meet fraudulent solicitation, the sum donated to each cause will be at once assured and definite, and help will be received promptly.

The Charity Chest of the Fur Industry of New York will be chartered by the state. It is, says *Fur Trade Review*, "to be a distributing agency for all of the charity contributions of the New York fur trade and it will deal directly with all charitable organizations and allot sums of money to each from the common fund. It will pass upon the qualifications and worthiness of all organizations, institutions or causes appealing for funds and it will, through its various committees, make one drive annually to raise the necessary funds to take care of every worthy demand. It

will, in addition, build up a permanent fund or surplus to meet all unforeseen emergencies." Last, but worthy of note, "it will be strictly non-sectarian and will care for all worthy causes."

This new organization came into being on March 1. It is to function as follows, says the journal:

"Its plan is to have one 'drive' a year in the industry to raise a sufficient sum of money to meet all legitimate demands from philanthropies, institutions and movements, and to provide for new philanthropies which may be called into being, and whose purposes and administration meet with the approval of the Chest.

"All persons contributing to the Chest will, by virtue of their contribution, become members thereof, and will have the right to vote for directors of the organization.

"Every contributor to the Chest will have the right to 'designate' the charities to which he wishes any portion of his contribution to go. These designations will be carried out by The Charity Chest, which will report the name of the contributor and his contribution to the designated charity.

"Each member of the Chest will have a sign posted in his office referring all requests for charity to the Chest, which will investigate these requests and pass on their worthiness. If found worthy, they will receive a contribution from the funds of the Chest.

"Philanthropies deserving to receive funds from the Chest will be required to agree in writing that they will not conduct independent drives or solicitations within the industry.

"Campaign headquarters of the Charity Chest of the Fur Industry are on the thirteenth floor of No. 222 West Thirtieth street.

"The first 'drive' of the Charity Chest of the Fur Industry of New York will begin with a dinner on March 1, to be followed by a canvass during all of the following week.

"It is planned that this drive shall cover all of the 10,000 persons identified with the industry, including firm-members, salesmen, executives, clerks, designers and foremen. For the present, no effort will be made to reach the shop employees.

"The campaign will be conducted along the most approved and tested lines. The trade will be divided into groups. Each group will be 'covered' by selected committees made up of captains and workers."

Needless to say trade bodies all over the country are watching results with keen interest. If this scheme works for the fur trade in New York, why not for other industries, in other cities of large size?

## Will We Beat the Invaders?

### German Dye Trust Announced

RUMORS have for some time been flying about of the formation of a German "super-trust," says *Oil, Paint and Drug Reporter*, "embracing the German manufacturers of coal-tar dyes and other synthetic organic intermediate and finished products."

It has long been known that the German dye cartel "was planning for greater efficiency in production and distribution," the journal admits, and follows with a list of "the contributing and auxiliary concerns in which the Interessen Gemeinschaft firms have acquired material holdings."

Consideration of known facts, continues the journal, "in connection with recent developments in the import dye trade of the United States leaves little doubt of the intensiveness of the competition which American dye manufacturers face. The reduction of the tariff in dyes has brought this competition more extensively into the domestic market, at least, in products of higher values."

In a short article headed "The Germans Are Coming," *Drug & Chemical Markets* confirms the rumor: "German dye makers are reorganizing to reduce costs of production to a point so low that no other nation will be able to compete with

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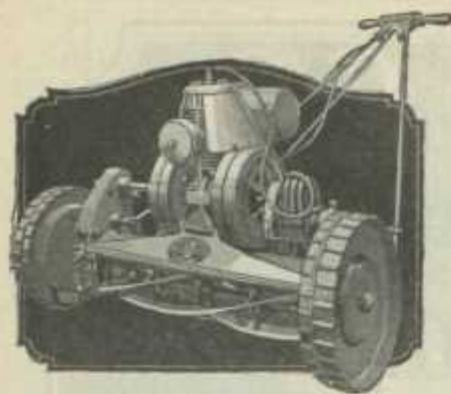
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German dyes in the world market." This "is confirmed by advices received by the trade in New York."

The independent companies have dissolved and a new incorporation, headed by Duisberg and Bosch, will soon be announced, says the journal: "Everything from intermediates to pharmaceuticals will be manufactured. Electric power is said to be available at extremely low cost. Certain companies will produce only synthetic ammonia products, and others will devote all their energies to dyestuffs. A feature of the merger which concerns American manufacturers very seriously is the report that financial control of a large dyestuff producer in the United States will pass to the new German trust, thereby giving the Germans an entering wedge in the American market. Fierce competition for the textile trade will be the next step. The plans of the Germans have been foreshadowed by the increasing imports of colors in recent months and the accumulation of dyestuffs in bonded warehouses since the automatic reduction in the tariff in September last."

Evidently a fight to the finish—and as the best man wins, the question raised by *Drug & Chemical Markets* is pertinent: "Are the American companies preparing to meet the invaders? What will become of the small American producers without the resources to carry on a financial battle to the death? Evidently many interesting developments are pending in the dye industry."

## Taking British Lion's Share: Germans Build English Ships

IN THE *Manchester Guardian Commercial* appears an item—"Why Germany Is Building British Ships"—in which it is stated that the Furness, Withy Line has placed an order "for five fast motor-ships of 10,000 tons deadweight each to the Deutsche Werft, of Hamburg."

This is startling news, for the Britishers' ships are their pride and glory. "It is not pretended that the individual German shipwright is better than his British rival—there are very few people who would even venture to suggest that he is anything like as good—but the Germans have found that with efficient supervision they are able to cut down labor costs by employing unskilled or semi-skilled labor where first-class men are employed in British yards."

So—it is all a question of costs. The journal explains that every British yard and near-yard was approached on the matter, but "without avail." They could not meet the rival bid, and the result was a Germany award with a cold cash saving of £60,000 per ship, over any home offers, and also "an appreciable difference in the time guaranteed for delivery. . . ."

Sixty thousand pounds per ship is a huge saving. The Deutsche Werft is described as "an excellently planned and laid-out yard . . . fitted with modern machinery and constructed at very high cost. It is not, however, in any way better than several of the big British establishments which have specialized in the construction of motor ships and which tendered unsuccessfully for this contract."

The advantages which the German yard had, in making its bid, are enumerated by the journal: "In the matter of material, both in coal and steel, the German yard has a very considerable advantage over the British competitor, and with big ships of this sort this advantage naturally weighs very heavily."

A still greater advantage is held to be the price "of the auxiliary machinery, which in these ships will run to a large number of individual items, supplied by inland firms under minor contracts."

In the matter of labor, also, "they are able to save, not only on the weekly wage of the workers, in which the difference is considerable, but also on the hours worked and the demarcation of the various jobs according to trade union rules."

Further, "the Berlin authorities fully realize the importance of the industry to the country for naval purposes as well as for international trade, and afford the industry every possible assistance,

sometimes at the expense of others. Taxes, rates, and the like are all kept as low as possible, quite apart from the direct financial aid that has been voted."

And what is the temper of the German people regarding this victory? They are, says the journal, "especially in Hamburg, openly exultant at securing this order and speak of it quite confidently as the end of British shipbuilding domination."

This Deutsche Werft is said to have obtained, recently, "several valuable orders both for tankers and cargo carriers from Scandinavian as well as German owners, and it has been making a big effort to strengthen its position in the United States. There are rumors of a number of American tankers being ordered in this yard in the near future, but little that is in any way definite has been done."

## "U. S. Arbitration Act" Makes Contract Clauses Enforceable

ON LINCOLN'S BIRTHDAY this year Mr. Coolidge signed the bill covering the "United States Arbitration Act."

This act is announced in the pages of the *American Bar Association Journal* as of extreme importance: "No piece of commercial legislation, no enactment at the request of lawyers has been passed by Congress in a quarter of century comparable in value to this." And the president of the New York State Chamber of Commerce is quoted as saying—"The bill is one of the most far-reaching pieces of legislation that has been introduced in recent times in the interest of sound business practices." It was supported by business organizations "from every part of the country."

The measure is described in *Commerce Reports* as follows: "By the terms of the act arbitration clauses in contracts relating to commerce or maritime transactions are valid and enforceable. If a controversy arises in connection with a contract of this character containing an arbitration clause and suit is brought in a Federal court, the court may, upon application of one of the parties, stop the trial until arbitration has been had as provided. It is, however, incumbent upon the applicant to show that he was not in default in respect to arbitration."

"If suit has not been filed, any party to such a contract could petition the court to enforce the arbitration clause."

The journal considers that "its enactment is a notable forward step toward the elimination of waste in commerce by offering a speedy, prompt, and equitable settlement of trade disputes without recourse to unnecessary litigation," and that "it will greatly relieve the courts of their congestion." The new law goes into effect on January 1, 1926, and will relate to "contracts made on and after that date."

## A Study of Russian Markets: Commerce Bulletin Gives Facts

THAT Russia is a vast potential market for American goods is the belief of increasing numbers of Americans. In order to take advantage of the opportunity, a thorough study of Russia should be made, according to *Printers' Ink*; this can be done most quickly through securing Trade Information Report No. 244, "Finance and Industry in Soviet Russia," recently issued by The Bureau of Foreign and Domestic Commerce at Washington.

This bulletin, says *Printers' Ink*, "is based for the most part on first-hand data published by the Soviet authorities themselves."

From time to time, the Bureau will issue supplementary articles, in "Commerce Reports." Caution is urged, however, by *The Bankers Monthly* (quoting from a report by the Commerce and Marine Commission of the American Bankers Association), to have in mind the fact that the Soviet Government "is in position to change the whole trade that they may have undertaken with any country without notice. . . ."

# BAKELITE RESISTS HEAT

*plus -*



- ¶ electrical resistance
- ¶ strength
- ¶ resistance to oil and water
- ¶ permanent finish and color
- ¶ light weight
- ¶ hardness
- ¶ resistance to acid
- ¶ resistance to chemicals
- ¶ resistance to warping

—in one industry after another



Bakelite Distributor Head  
NORTH EAST ELECTRIC CO.



Bakelite Pipes made by  
the leading pipe manufacturers



Bakelite Radiator Cap  
THE NASH MOTORS CO.

ONCE in a generation a new material is discovered. So it was with rubber, steel, aluminum and celluloid. Now comes this new material, Bakelite, known chemically as phenol resin.

In one industry after another, Bakelite has provided a combination of qualities which never before could be found in any one material.

Heat resistance, for example, is the most important of many

essential properties in manufacturing certain products. Some of them are illustrated here.

But the important point to remember is that Bakelite is the *only* material which combines heat resistance with *all* the properties listed at the top of this page.

"THE STORY OF BAKELITE," by John Kimberly Mumford, is a fascinating and educational story about the discovery and development of Bakelite. Write for a copy.

*The uses for Bakelite are almost limitless. In its pure form, as a molding material, in sheets, rods and tubes; or as a varnish, lacquer, enamel or cement, our Engineering Department is continually perfecting new applications. Is there a place for Bakelite in your business?*



Bakelite Percolator Handles  
THE GORMAN CO.



Electric Iron—Bakelite Handle  
SIMPLEX ELECTRIC HEATING CO.



Bakelite Lamp Cement  
THE NATIONAL LAMP WORKS

## BAKELITE CORPORATION

241 Park Avenue, New York

636 West 22d St., Chicago

Bakelite is an exclusive trade mark and can be used only on products made from materials manufactured by the Bakelite Corporation. It is the only material which may bear this famous mark of excellence.

# BAKELITE

THE MATERIAL OF A THOUSAND USES



BAKELITE is the registered trade mark for the phenol resin products manufactured under patents owned by the Bakelite Corporation.

When writing to BAKELITE CORPORATION please mention Nation's Business



What a whale of a difference  
just a few cents make

### Who are our 180,000 Subscribers? They are executives in 105,533 Corporations\*

In these corporations the magazine is being read by the following major executives:

Presidents.....	45,168
Vice-Presidents.....	20,461
Secretaries.....	19,742
Treasurers.....	9,572
Partners and Proprietors.....	11,006
Directors, Chairmen of Boards, Comptrollers, General Counselors, Superintendents and Engineers.....	7,717
General Managers.....	14,238
Department Managers (Branch—Purchasing—Sales —Export, Etc.).....	13,464
Major Executives.....	141,368
Other Executives.....	10,827
Total Executives.....	152,195
All other Subscriptions.....	27,771

If this audience represents a market for your products, we shall be glad to give you complete advertising details.

**NATION'S BUSINESS, Washington**

\*Figures based on a complete investigation of all subscribers in twelve cities



I MET a man in a Pullman car recently who said he was disgusted with newspaper advertising and would never pin his faith to the want columns again. I inquired what had thus soured him on advertising, and here is his story:

It had occurred to him that all women carry little handbags and that a certain percentage must lose their handbags. So one day he inserted an advertisement in the Lost and Found column of a New York newspaper telling of a little black handbag lost on Fifth Avenue between 34th and 47th streets. His expectation was that this would bring him at least 100 handbags. Many of these would contain money, and he would reward each finder by paying him part of the money in the bag.

"But," lamented my acquaintance, "I didn't receive even one handbag in response to my advertisement. Thus I have shattered not only my faith in advertising but in human nature itself. People aren't as honest as I expected. Surely somebody must have found a little black handbag that day. Why didn't he look in the Lost and Found column and then return the bag to me?"

"I WISH every big department store in New York were within a block of me," the head of one of the most successful department stores there once told me. "They would all help to draw the crowd. Shoppers like to go from one store to another and compare prices. They can do this easier when the stores are close together. Thus stores help one another. We are willing to take our chances on getting at least our share of the crowd once it has been attracted to our neighborhood."

IN MOST department stores, the best-looking sales girls are almost certain to be found on the ground floor where they may be useful not only for selling but for scenery. It would be a slipshod, poorly managed store that failed to have a comely girl dispensing facial creams and beautifying preparations. Likewise one may feel reasonably certain of finding a beautiful young woman behind the veil counter. Veils are naturally more salable when the shopper sees them displayed on a face easy to look at.

IN A SURVEY of careers chosen by students at the University of Wyoming, it was learned that women selected their future occupations from idealistic reasons three times as often as men did. Men, on the other hand, picked their work three times as often as women for practical reasons—usually having to do with providing a comfortable living. And here was the interesting thing: Men who selected their future work from practical mo-

tives tended to rank *highest in intelligence*, while those who were actuated by idealistic motives tended to be lowest in the entire class. Among women students, however, exactly the reverse was true; the smarter they were, the more idealistic and less practical were their motives.

WHILE women have not done well as bankers, generally speaking, yet there is a woman in Niagara Falls, N. Y., president of a large building-and-loan concern, who is one of the most successful in the country. But I'll wager that most of her customers are men. Woman's prejudice against woman in financial affairs is not always shared by men.

IN A BIG establishment tardiness of employees in the morning became so noticeable that something had to be done about it. One month the number reached 120. It was suggested that every employee arriving late be penalized. But this was rejected because a few cases of tardiness might be unavoidable and any serious penalty would be an injustice. Then somebody hit on a scheme that has worked beautifully. Every person tardy is required to write out a report explaining why he was late. Then he is summoned to the office to talk over his report. The month after that plan was used cases of tardiness dropped from 120 to 15.

IN NEW YORK recently I saw a little shoe store, fashionably located, with a sign on the window proclaiming that it is a "Shoe Salon."

I'm wondering if such an idiotic name for a shoe store does as much good as harm. Personally I should have grave suspicions about shoes from a shop that calls itself a Shoe Salon. I should fear that goods inside the store as well as the store itself ought to be thoroughly debunked. Pompous phraseology always sounds so spurious that it suggests fakey goods. If we're to have shoe salons, why not Suspender Studios and Collar Button Art Rooms?

I'm very suspicious of places that put shirt materials in their windows and call them "shirtings." How am I to know that such an establishment doesn't sell also drawersings or hattings?

MUCH evidence is available to show that one of the greatest handicaps to women in business is women. What I mean is that women would be advanced more rapidly in business if it were not for the attitude of women toward women. In certain kinds of transactions women are suspicious of their own sex. This is notably true in finance. A woman somehow doesn't like to go into a bank and give her money to a woman receiving teller. She isn't even very keen about dealing with a woman paying teller. Many banks that tried competent women as paying and receiving tellers had to retire them to jobs behind the scenes where they do not deal with the public. Women customers showed so much dissatisfaction that the banks had no alternative.

A big bond house once thought it would be a fine idea to employ clever women to call on women who might be interested in buying bonds. The theory was that women bond sellers might soon reach a comfortable, chatty basis with various women customers whom a male bond-seller might not be able to see at all. About the only trouble with this theory was that it proved to be totally wrong. Women



"Why do you keep correspondence out of the files?"

"It's too hard to get it quickly when it has once gone into those overcrowded files of ours."

## Doesn't This Show That You Need More Files?

UNLESS your office is thoroughly systematized—and really has *enough* filing equipment—you'll be appalled to see how much important correspondence (to say nothing of orders, vouchers, records, etc.) is stuffed hastily into desk drawers at night.

Only with the greatest vigilance are such dangerous and unsound office practices avoided. Only by planned purchasing is enough equipment *for safety* provided.

When you come to the actual selection of files (and of safes, cabinets, shelving and other steel equipment) you will find that the unusual quality of material, design and workmanship in the Van Dorn line entitles it to consideration. But that is another story, and we'd like to tell it to you through our big, new, interesting catalog. May we do so?

THE VAN DORN IRON WORKS CO., CLEVELAND, OHIO  
Branches: Cleveland New York Chicago Washington Pittsburgh

**Van Dorn**  
MASTERCRAFTSMANSHIP  
IN STEEL

# There and back ..... through coupons



A trip, a holiday, a tour or a journey through life becomes plain sailing through the coupons of well-secured bonds—the result of investment guided by experienced counsel. We will gladly assist you in selecting carefully investigated issues from our regular lists. Information and advice at your command through offices in 50 leading cities.

## THE NATIONAL CITY COMPANY

National City Bank Building, New York

BONDS

SHORT TERM NOTES

ACCEPTANCES

are a fizzle at selling bonds—or so I am reliably informed—and the reason is that women bond buyers prefer to get their financial information from a man. Doubtless this feeling is due to ill-founded prejudice and will disappear, but it exists today.

On the other hand, women are often highly successful as insurance solicitors. Here, while money is involved in payment of premiums, it is not involved in anything like the same degree as in making investments in stocks and bonds.

## Green Rep Sofas Give Us New Moth-Proof Dyes

"MOTHS won't eat things that are dyed green," said the chemist's mother and gave him, as a wedding present, a beautiful old-fashioned sofa upholstered in new green rep.

The chemist was delighted with the gift, liked the color of the covering chosen, and was sincere in his thanks—but he looked at the sofa meditatively.

In two years' time, the moths had demonstrated that they had quite a bit of the Irish in them—in fact the whole of the chemist's green rep sofa-covering.

The chemist's mother was disgusted. But the chemist was inspired. He began an investigation to discover why moths had changed their tastes since 1864, which was about the time they got their reputation as misogreens, and also (a coincidence pleasing to the investigator) the year in which Martius yellow was put on the market.

The chemist made a series of tests and satisfied himself that cloth dyed with any dye containing Martius yellow is immune to moth attack. Dyes are uncertain today, but, in 1864, nearly every piece of green-colored cloth had been dyed with Martius yellow. The public, jumping to conclusions, had declared "moths don't like green." The chemist confirmed their observation and confounded their science: "Moths may or may not like green," he said. "Nobody as yet knows their color preferences. But we do know that they avoid that Martius yellow dye—not because it means yellow to them, nor yet Martius, but probably because it means die."

Out of the loss of a handsome sofa-covering, and resulting deflation in ancestral prestige, somehow good has resulted, for, says *Industrial and Engineering Chemistry* in telling the story of the green sofa, "these preliminary investigations begun in 1917 have now resulted in placing upon the market a new material for the protection of fabrics against moths. . . . When it is remembered that the descendants of a single female moth can destroy approximately one hundred pounds of wool per year and that moths are credited with the destruction of ten thousand tons of wool annually, the importance of this development is evident, provided only that it is as successful as preliminary tests would indicate."

There may be other cases, thinks the journal, "of chemical facts underlying the sayings that have come down to us from the last generation which would prove interesting and even profitable subjects for investigation." There is usually something in these things, even though the causes for phenomena observed may have been wrongly guessed, and "the persistent investigator who will ascertain the why and how, may easily be rewarded, as the investigator of the green-dyed cloth has been, through his ability to put upon the market a long-sought material."—G. H. H.

## PATENTS

TRADE MARKS • DESIGNS  
FOREIGN PATENTS

## MUNN & Co.

PATENT ATTORNEYS

Associated since 1840 with the *Scientific American*  
602 Woolworth Building, New York City  
538 Scientific American Bldg., Washington, D.C.  
417 Tower Building, Chicago, Ill.  
370 Hobart Building, San Francisco, Cal.  
225 Van Nuys Building, Los Angeles, Cal.  
Books and Information on Patents and Trade Marks  
by Request.

IN 1919 (six years ago) only 26,379 business men received *NATION'S BUSINESS*. The issue before you is now in the hands of more than 180,000 subscribers.

Business men who have the national point of view are on the increase. As long as this is true the continued growth of this magazine is assured.

THE NEW YORK TIMES, MONDAY, MARCH 16, 1925

CENTURY  
run slowlyCENTURY LIMITED  
seemingly leisurely  
moves along thespeed is due to  
New York Central's  
adbed, as well as  
of the steam  
that haul thebusiness day" for  
traveler—and doesTHE CENTURY OF THE  
Century Limited, along  
the Hudson River, from  
a painting by William L.  
Grimm, Jr., for the National  
Electric Company

RAL

WE DON'T BITE  
THE COIN TODAY**B**USINESS is selfish and crooked," shouts a street-corner agitator in Madison Square.

Just back of him, the Metropolitan Tower houses a great insurance company, built wholly on the faith and confidence of its 19,000,000 American men and women customers.

What inconsistency! Even while the agitator shouts and the parlor pinks chatter, 90% of this same American business is conducted on credit. Credit is nothing more than confidence that a man will keep his word.

This business confidence is the foundation of American life today. The road by which we have reached it has been long and up-hill.

Trade, not so long ago, was conducted at fairs. Here were set up the tented shops of the drapers, the goldsmiths. Here were to be found fine furs from Egypt, camel's hair from Persia. Around it all was a stockade with a guarded entrance!

The buyer came, felt of the article he wished to buy, held it in his hands while the seller bit the coin to see if it was all its face implied.

**C**ENTURIES passed. The buyer learned to buy from a sample. He said, "Send me a dozen like this."

He had confidence that the dozen would be like the sample. The seller, on his part, did not say, "Pay me first; I am afraid to buy raw materials and pay my workmen until I see the color of your money." He said, "Pay on delivery."

Centuries passed. Confidence grew. The buyer no longer demanded to see a sample. He believed in the salesman's description. And the seller did not demand pay on delivery. He said, "Take thirty days to turn around."

Each had confidence in the integrity of the other.

**T**ODAY goods amounting to billions of dollars are bought and sold by the printed word. Payment is made by a piece of paper on a bank, sometimes thousands of miles away.

Who now fears that his milk is watered or his sugar sanded? You buy a Ford or a Pierce-Arrow without questioning the soundness of its material or the honesty of its seller. You select color and design, but you take on faith steel and leather and mechanical skill. The buyer need no longer beware. It's the seller who is held to account.

Let this confidence be ever so slightly disturbed—at once it is felt.

During election periods there comes a slow-down. Why? Because promises, pledges and threats lead business men to wonder if they will be able to keep their word. They don't know what artificial legislative handicaps may be ahead of them.

Demagogues are not the only offenders. Often, without thinking, business men join them. They criticize without knowing the facts. The retailer, pressed by a customer, blames the wholesaler, the wholesaler the manufacturer, the manufacturer the railroad, the railroad the coal operator, the coal operator the miner. Everybody blames the banker.

**T**HUS business men themselves help to shake public confidence in their own work.

American industry has its faults, and they deserve criticism. There are business men in it today who are still throwbacks to the middle ages, who still make it necessary to bite the coin.

They should be stung out of the hive.\*

The business man who wants to criticize intelligently and yet maintain this hard-won confidence, should know the facts.

For him *Nation's Business* is edited. It is a magazine published in Washington by the largest business organization in the country, and is founded on the belief that anything which is not for the public good is not for the good of business.Any executive who does not know *Nation's Business* and who will write Washington, will be told how he can inspect this magazine without expense.

One year ago, 139,975 business men were subscribers; today there are 176,705.

\*See "Contents of Order" and "Continuity Check Card" in the March and April numbers.

THE  
NATION'S  
BUSINESS

PUBLISHED MONTHLY BY THE CHAMBER OF COMMERCE OF THE UNITED STATES, WASHINGTON, D. C.

To our readers:—  
This is the fourth of a  
series of announcements  
about your magazine  
It appeared in the  
New York Times  
Chicago Daily News  
Cleveland Plain Dealer  
and  
Kansas City Star

## Engineering Skill Applied to Box and Crate Design Saves Millions of Dollars

Years ago, the theory that lumber thickness determined box strength did not lay a heavy burden on industry. Lumber was cheap. Labor was low. Markets were confined. Transit rates did not play a big part in the final cost of goods.

But conditions changed. Markets broadened. Transportation became a serious expense item. Lumber prices rose. Labor costs increased.

### Importance of Design

Engineering research proved that through better design and correct nailing, box weight could be cut without sacrificing strength. Then experiments with steel strapping showed the way to still lighter and stronger containers.

Finally came development that revolutionized the wood box industry—the invention of the wood box and crate bound with steel wires.

This type of container—the Pioneer—comes to you fully assembled or three fourths assembled with the steel wires stapled on. Lumber is saved. Protection is increased. Tran-

sit charges are lowered. Loss, damage and petty theft are reduced. The Pioneer is made in box or crate form in the size and shape best adapted to your product. Shippers in almost every industry are using it.

### Engineering Service

In the development of safer, less expensive shipping containers it is only natural that The General Box Company should take a leading part.

A corps of practical box and crate engineers is maintained to analyze shipping methods and recommend the type of box or crate best suited to the needs of the individual shipper.

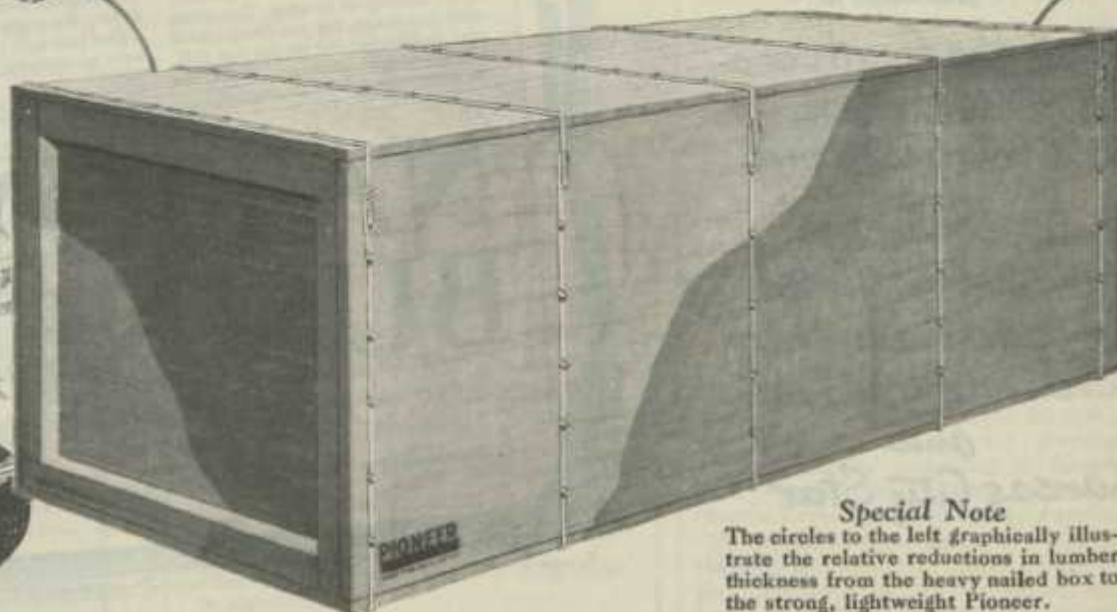
This service is available to you without cost or obligation. Write us. We will gladly make an appointment with you.

After the correct container is designed twelve factories, strategically located, assure you a constant, dependable source of supply. From timberlands to finished product laid down at your door, General Box Service is complete—and without parallel in the wood box industry.

Write for the service of a General Box Engineer and a series of bulletins—"General Box Service"—that tells how others are cutting their shipping costs.

## GENERAL BOX COMPANY

504 North Dearborn Street Chicago, Illinois



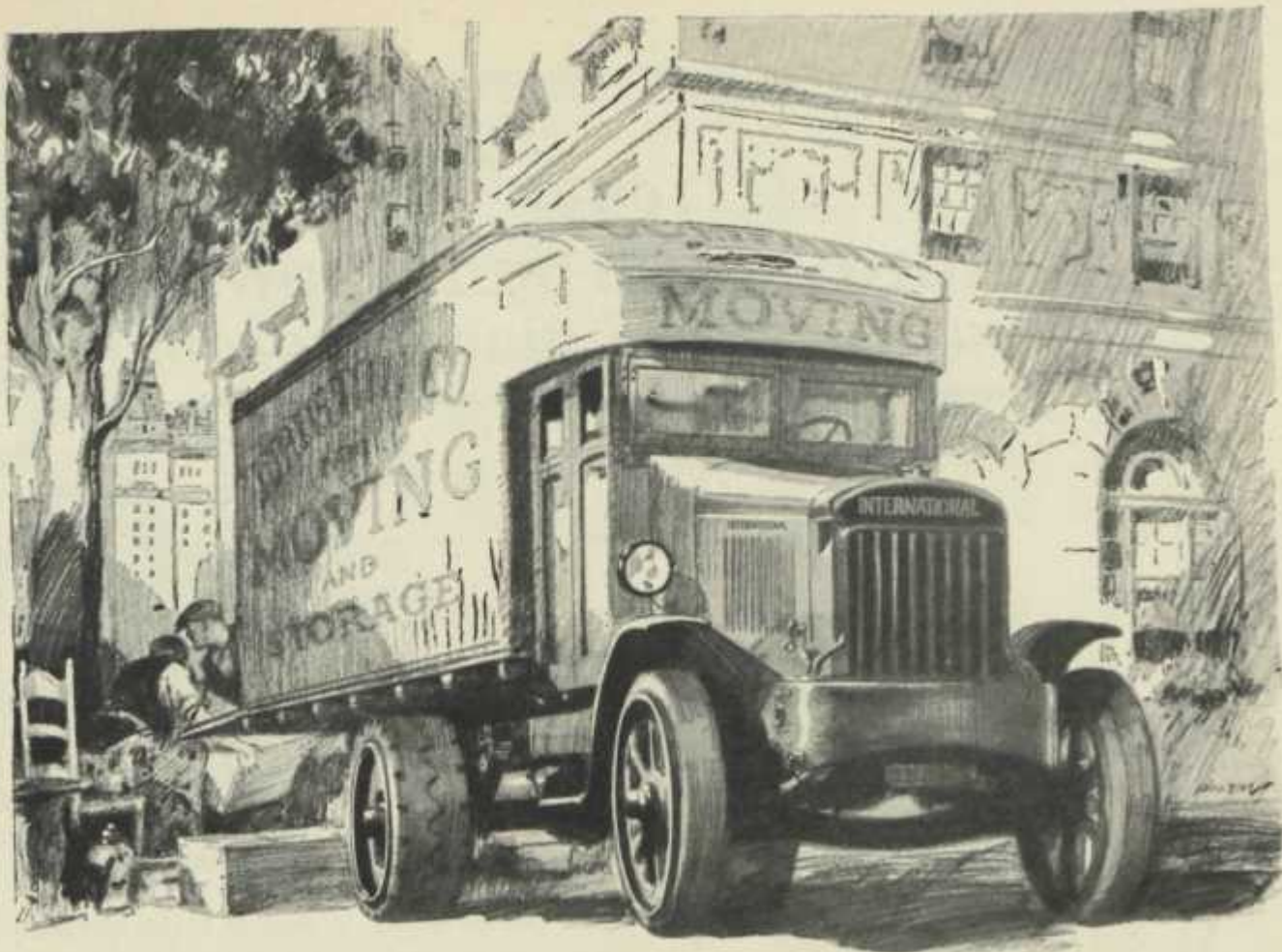
### Special Note

The circles to the left graphically illustrate the relative reductions in lumber thickness from the heavy nailed box to the strong, lightweight Pioneer.

Three great factories are devoted exclusively to the manufacture of International Motor Trucks. There are 105 direct company branches—the largest company-owned truck service organization in the world—located in the following cities:

Aberdeen, S. D.  
Akron, Ohio  
Albany, N. Y.  
Almarillo, Tex.  
Albany, Ga.  
Auburn, N. Y.  
Aurora, Ill.  
Baltimore, Md.  
Billings, Mont.  
Birmingham, Ala.  
Bismarck, N. D.  
Boston, Mass.  
Buffalo, N. Y.  
Cedar Falls, Iowa  
Cedar Rapids, Iowa  
Charlotte, N. C.  
Chattanooga, Tenn.  
Cheyenne, Wyo.  
Chicago, Ill. (2)  
Cincinnati, Ohio  
Cleveland, Ohio  
Columbia, S. C.  
Columbus, Ohio  
Council Bluffs, Iowa  
Dallas, Tex.  
Dayton, Ohio  
Denver, Colo.  
Des Moines, Iowa  
Detroit, Mich.  
Dubuque, Iowa  
Duluth, Minn.  
East St. Louis, Ill.  
Easi Claire, Wis.  
Elmira, N. Y.  
El Paso, Tex.  
Evansville, Ind.  
Fargo, N. D.  
Fort Dodge, Iowa  
Fort Wayne, Ind.  
Fort Worth, Tex.  
Grand Forks, N. D.  
Grand Rapids, Mich.  
Green Bay, Wis.  
Harrisburg, Pa.  
Hemlock, Mont.  
Houston, Tex.  
Hutchinson, Kan.  
Indianapolis, Ind.  
Jackson, Mich.  
Jacksonville, Fla.  
Jannkee, Ill.  
Kansas City, Mo.  
Knoxville, Tenn.  
Lincoln, Neb.  
Little Rock, Ark.  
Los Angeles, Calif.  
Louisville, Ky.  
Madison, Wis.  
Manassas, Mich.  
Mason City, Iowa  
Memphis, Tenn.  
Milwaukee, Wis.  
Minneapolis, Minn.  
Minot, N. D.  
Nashville, Tenn.  
Newark, N. J.  
New Orleans, La.  
New York, N. Y.  
Ogdensburg, N. Y.  
Oklahoma City, Okla.  
Omaha, Neb.  
Parkersburg, W. Va.  
Parsons, Kan.  
Peoria, Ill.  
Philadelphia, Pa.  
Pittsburgh, Pa.  
Portland, Ore.  
Quincy, Ill.  
Richmond, Ind.  
Richmond, Va.  
Rockledge, N. Y.  
Rockford, Ill.  
Rochester, Mich.  
St. Cloud, Minn.  
St. Joseph, Mo.  
St. Louis, Mo.  
Sellers, Kan.  
Salt Lake City, Utah  
San Antonio, Tex.  
San Francisco, Calif.  
Sioux City, Iowa  
Sioux Falls, S. D.  
South Bend, Ind.  
Spokane, Wash.  
Springfield, Ill.  
Springfield, Mo.  
Terre Haute, Ind.  
Toledo, Ohio  
Topeka, Kan.  
Waco, Tex.  
Wichita, Kan.  
Winona, Minn.

In addition to these company branches more than 1500 dealers, in as many communities from one end of the country to the other, are ready to serve International owners.



## The truck serves you— we serve the truck

**I**N YOUR purchase of a motor truck the one big factor in determining your choice is the amount of service you believe you will get out of the truck for the money you invest in it. That should be the biggest factor.

But remember, the service you receive from your truck depends upon the service the manufacturer built into it, and upon the service the truck itself receives when it is serving you.

International Trucks have been built for twenty years by an institution whose

products have had a world-reputation for service for almost a hundred. And International Trucks have at their service the largest company-owned truck service organization in the world.

The one hundred and five company branches listed here are scattered from coast to coast—the farther you go from one the nearer you get to another. These branches and over 1500 dealers insure to International owners everywhere all the service from these trucks that the Harvester Company has built into them.

The International line includes a Speed Truck for 2000-pound loads; Heavy Duty Trucks ranging from 3000 to 10,000 pounds, maximum capacities; and Motor Coaches for all requirements.

**INTERNATIONAL HARVESTER COMPANY**  
OF AMERICA  
606 SO. MICHIGAN AVE. (INCORPORATED) CHICAGO, ILL.

# INTERNATIONAL HARVESTER TRUCKS

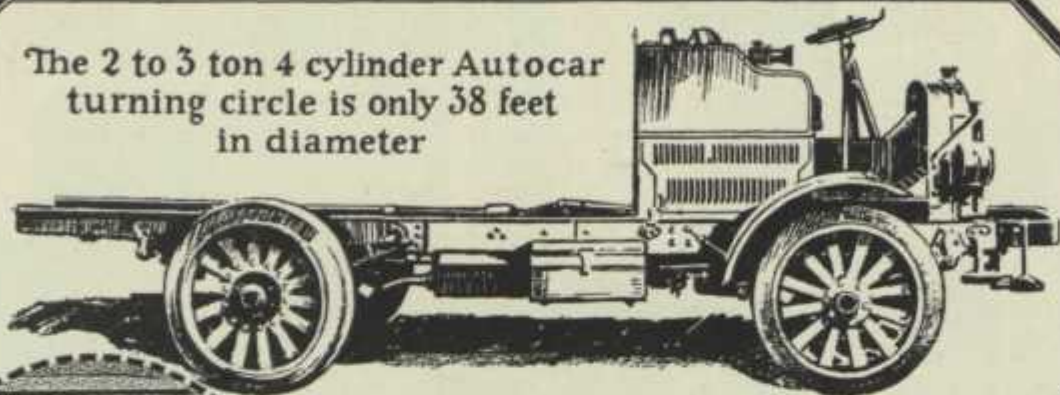
F O R L O W - C O S T H A U L I N G

When writing to INTERNATIONAL HARVESTER COMPANY OF AMERICA please mention Nation's Business

# Autocar Trucks

**Sturdy - well-built - powerful**  
*have an added distinctive advantage*

The 2 to 3 ton 4 cylinder Autocar  
 turning circle is only 38 feet  
 in diameter



Wheelbase only 114 inches



**Y**OU see Autocar trucks wherever you go, hauling every kind of load, on the job day after day, year after year; strong, reliable, economical.

Do you know why Autocars *look* different and *are* different from other trucks? It is because the Autocar engine is placed under the seat, not out in front.

And it is this difference that makes the Autocar distinctive short wheelbase possible. You get full body capacity together with the ability to run into cramped places, to cut time in traffic, to save two minutes here, three minutes there—savings that actually show themselves in dollars and cents when hauling costs are reckoned up.

**The Autocar Company, Ardmore, Pa.**

ESTABLISHED 1897

Direct Factory "Autocar Sales and Service" Branches or Affiliated Representatives in

*Albany	*Brooklyn	*Detroit	*Los Angeles	*Orlando	*San Francisco	*Trenton
*Allentown	*Buffalo	*Erie	*Miami	*Paterson	*San Jose	*Washington
*Altoona	*Camden	*Fall River	*Newark	*Philadelphia	*Schenectady	*West Palm Beach
*Atlanta	*Chester	*Fresno	*New Bedford	*Pittsburgh	*Scranton	*Wheeling
*Atlantic City	*Chicago	*Harrisburg	*New Haven	*Providence	*Shamokin	*Wilkes-Barre
*Baltimore	*Cleveland	*Indianapolis	*New York	*Reading	*Springfield	*Williamsport
*Binghamton	*Columbus	*Jersey City	*Norfolk	*Richmond	*St. Louis	*Wilmington
*Boston	*Dallas	*Lancaster	*Oakland	*Sacramento	*Stockton	*Worcester
*Bronx	*Denver	*Lawrence		*San Diego	*Syracuse	*York

\* Indicates Direct Factory Branch

# Autocar

gas *and* electric trucks

**EITHER OR BOTH - AS YOUR WORK REQUIRES**